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INVESTIGATION OF IMPROPER ACTIVITIES IN THE LABOR OR MANAGEMENT FIELD

HEARINGS

BEFORE THE

SELECT COMMITTEE

ON IMPROPER ACTIVITIES IN THE LABOR OR MANAGEMENT FIELD

EIGHTY-FIFTH CONGRESS

SECOND SESSION

PURSUANT TO SENATE RESOLUTIONS 74 AND 221, 85TH CONGRESS

JANUARY 21, 22, 23, AND 24, 1958

PART 19

Printed for the use of the Select Committee on Improper Activities in the
Labor or Management Field



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INVESTIGATION OF IMPROPER ACTIVITIES IN THE LABOR OR MANAGEMENT FIELD

TUESDAY, JANUARY 21, 1958

UNITED STATES SENATE,
SELECT COMMITTEE ON IMPROPER ACTIVITIES
IN THE LABOR OR MANAGEMENT FIELD,
Washington, D. C.

The select committee convened at 2 p. m., pursuant to Senate Resolution 74, agreed to January 30, 1957, in the caucus room, Senate Office Building, Senator John L. McClellan (chairman of the select committee) presiding.

Present: Senator John L. McClellan, Democrat, Arkansas; Senator Irving Ives, Republican, New York; Senator John F. Kennedy, Democrat, Massachusetts; Senator Sam J. Ervin, Jr., Democrat, North Carolina; Senator Pat McNamara, Democrat, Michigan; Senator Barry Goldwater, Republican, Arizona; Senator Karl E. Mundt, Republican, South Dakota; Senator Carl T. Curtis, Republican, Nebraska.

Also present: Robert F. Kennedy, chief counsel; Jerome S. Adlerman, chief assistant counsel; Pierre E. G. Salinger, investigator; Joseph I. Gordon, a GAO investigator on loan to the committee; Ruth Young Watt, chief clerk.

The CHAIRMAN. The committee will come to order.

(Members of the select committee present at the convening of the session: Senators McClellan, Ives, Mundt, Goldwater, and Curtis.)

The CHAIRMAN. The Chair will make a brief opening statement regarding this series of public hearings.

The Senate Select Committee on Improper Activities in the Labor or Management Field, today begins the first series of public hearings of this new year—a probe into the activities of the International Union of Operating Engineers, its international president, William E. Maloney, and a number of locals of that union.

The IUOE now numbers some 270,000 members in the United States and Canada, and the work performed by these members is of strategic importance to the general economy and welfare of our Nation.

For example, the backbone of the current \$40 billion Federal road-building program will be work performed by crane operators, bulldozer operators, earth-mover drivers, compressor and drill operators, all of whom are members of the Operating Engineers Union. The machinery under the control of the Operating Engineers Union is a vital requirement in the construction of bridges, tunnels, oil wells, pipelines, factories, airports, and in every other major building project in this country.

The importance of the International Union of Operating Engineers also is emphasized by its relationship with its membership.

The Operating Engineers is one of those unions which has all the characteristics of an exclusive club. In other words, it is imperative for a member to maintain membership in order to keep a job.

In the wrong hands, this power that such an arrangement provides, can afford a method of retaliatory action against union members who step out of line by the simple expedient of depriving them of their union membership. Since this is a highly specialized occupation, this action deprives the member of his livelihood.

The early history of this union has been punctuated by violence and a close association between some of its top officers and members of the Chicago and New York mobs. One of the international's early presidents, Arthur Huddell, died of pneumonia 10 days after being shot near the heart while dining in a Washington, D. C., restaurant. A number of other gangland killings in Chicago can be directly traced to the fight for control of this vital segment of American workers.

The current hearings will be aimed at developing information in a number of areas. Among them are:

- (1) The illegal conversion of union funds to the financial advancement of certain top officers of the union;

- (2) Hearings last year by the Permanent Subcommittee on Investigations which acted as a prelude to the establishment of this committee showed that the Internal Revenue Department had not made audits of tax-exempt organizations, such as labor unions. This hearing will attempt to show the consequence of such a lack of check on a multimillion dollar organization;

- (3) Dictatorial control over the activities of the members of the union and illegal methods by which the members were deprived of their right to choose their own leaders;

- (4) The relationship between top union officials and employers; and

- (5) The abuse of pension funds set up by the international for its officers.

We believe the story of the Operating Engineers Union is replete with dictatorial control and subjugation of the membership. The testimony will show that 2 Chicago locals of the union have been under trusteeship for almost 30 years, and all efforts by the members to take over the locals and run their own affairs have been stifled and rebuffed—much of the time by the officers who held appointive posts under the trusteeships.

In recent years a "reform movement" was started in the union by the then sixth international vice president, Victor S. Swanson. Swanson came extremely close to capturing the union at the 1956 international convention. Following this convention, Maloney, president of the international, sent in auditors and fired Swanson for alleged improper financial activities.

This hearing will show the method by which the head of this "reform movement" ran the affairs of his own local—No. 3 in San Francisco, Calif., which boasts 24,000 members, the largest single local of any union in the United States.

The testimony of these hearings will speak for itself, but it cannot be stressed too greatly that an honest administration of the affairs of this union is vital to the national interest.

Are there any comments by any members of the committee?

All right, Mr. Kennedy, call the first witness.

Mr. KENNEDY. Mr. Chairman, the first matter that we will take up is the local out in San Francisco, which you mentioned in your statement, and the first witness will be a member of the staff, Mr. Pierre Salinger.

The CHAIRMAN. Mr. Salinger, will you come around, please?

Do you solemnly swear that the evidence you shall give before this Senate select committee shall be the truth, the whole truth and nothing but the truth, so help you God?

Mr. SALINGER. I do.

TESTIMONY OF PIERRE SALINGER

The CHAIRMAN. State your name and your place of residence and your business or occupation.

Mr. SALINGER. My name is Pierre Salinger, and I reside at 3611 O Street NW., Washington, D. C., and I am a staff investigator for this committee.

The CHAIRMAN. Mr. Salinger, you may be repeatedly called to the witness stand during this particular series of hearings, and you will remain under this oath that has just been administered whenever you answer any questions that may be asked of you by any member of the committee or counsel, regarding the subject-matters of this inquiry.

(At this point, Senators Kennedy, McNamara, and Ervin entered the hearing room.)

Mr. KENNEDY. Mr. Salinger, you and various accountants under your direction have been making a study and investigation of this local out in San Francisco; have you not?

Mr. SALINGER. We have; yes, sir.

Mr. KENNEDY. Now, there are some 10 or 12 transactions, Mr. Chairman, that we expect to go into in connection with this local in San Francisco. The first transaction that we expect to hear testimony about is one involving a land purchase in Stockton, Calif.

Mr. Salinger, you have some of the details in connection with that land purchase?

Mr. SALINGER. I have, sir.

Mr. KENNEDY. Now, Mr. Chairman, it is a reasonably complicated land transaction and we have made up a chart. Mr. Salinger will go through the land transaction and we will have the chart here for explanatory purposes.

The CHAIRMAN. This chart may be made exhibit No. 1, and placed in the record.

Mr. Salinger, was this chart made up under your supervision?

Mr. SALINGER. It was, sir.

The CHAIRMAN. All right, you are familiar with it?

Mr. SALINGER. I am, sir.

(The document referred to was marked "Exhibit No. 1" for reference and will be found in the appendix on p. 7839.)

Mr. KENNEDY. Now, there was a piece of land down in Stockton, Calif., that the union became interested in purchasing; is that right?

Mr. SALINGER. That is correct.

Mr. KENNEDY. And that piece of land encompassed section 1, section 2, and section 3?

Mr. SALINGER. It encompassed all of those three sections.

Mr. KENNEDY. That appear on that chart; is that right?

Mr. SALINGER. Yes, sir.

The CHAIRMAN. To keep the record straight, when you refer to section, that does not mean a section of land as we speak of a section.

Mr. SALINGER. We might refer to it as packages 1, 2, and 3 and it is not a section of land.

The CHAIRMAN. Neither of them is an entire section of land.

Mr. SALINGER. That is correct.

The CHAIRMAN. I think it would be well to refer to them as parcels.

Mr. SALINGER. Parcels, all right.

Mr. KENNEDY. Now, in March of 1955, the union acquired this parcel of land; is that right?

Mr. SALINGER. They did, sir.

Mr. KENNEDY. Did they get approval, and did that go through the executive board of the local or did they get approval from the membership to acquire that parcel of land?

Mr. SALINGER. Back in 1953, the local had authorized the purchase of various plots of land throughout the State of California for the construction of various buildings that they were contemplating putting up, so that blanket authorization actually covered this Stockton land deal, since they were originally planning to put a building up on this property.

Mr. KENNEDY. The purchasing of the land was to erect an office building?

Mr. SALINGER. That is correct.

Mr. KENNEDY. For the local?

Mr. SALINGER. Yes, sir.

Mr. KENNEDY. Now, this local, according to the statement of the chairman, is the biggest local of any union in the country.

Mr. SALINGER. That is what we understand.

Mr. KENNEDY. And it covers some 3 or 4 States in the western part of the country?

Mr. SALINGER. It covers all of northern California, all of northern Nevada, the State of Utah, and the Hawaiian Islands.

Mr. KENNEDY. They were planning to erect certain offices throughout this district; is that right?

Mr. SALINGER. Yes, sir; most of it in northern California.

Mr. KENNEDY. And one of them was down in Stockton, Calif., and that is the reason they purchased this property?

Mr. SALINGER. Yes, sir.

Mr. KENNEDY. What was the purchase price? What did they pay for this property?

Mr. SALINGER. Now, the union paid \$33,500 for the entire parcel of land which includes parcels 1, 2, and 3.

The CHAIRMAN. In other words, it bought a tract of land out of which you, for purposes of identification and to keep the record straight as to what happened, have divided into three parts.

Mr. SALINGER. That is right; yes, sir.

Mr. KENNEDY. The initial deposit on that was made on February 15, 1955, is that right?

Mr. SALINGER. Yes, a check payable to Raymond Stivers, who was acting as real estate agent for the Carl Ross Post of the American Legion, was drawn in the amount of \$3,350 on February 15, 1955.

Mr. KENNEDY. \$3,350, that was the initial deposit?

Mr. SALINGER. Yes, on the land.

Mr. KENNEDY. That was made on February 15, 1955?

Mr. SALINGER. That is correct.

Mr. KENNEDY. Now, the final payment was made on March 10, 1955, is that correct?

Mr. SALINGER. On March 10, 1955, the union wrote a check to the Stockton Abstract & Title Co., which was holding the land in escrow for \$30,150, making a total price of \$33,500.

The CHAIRMAN. You have photostatic copies of those, sir?

Mr. SALINGER. Yes, sir.

The CHAIRMAN. The first check for \$3,350 will be made exhibit No. 2, and the next check, for \$30,150 will be made exhibit No. 3.

(The documents referred to were marked "Exhibits Nos. 2 and 3" for reference and will be found in the appendix on pp. 7840-7841.)

Mr. KENNEDY. Altogether, the union paid \$33,500 for this piece of property?

Mr. SALINGER. That is correct.

Mr. KENNEDY. Actually, how much did the property cost?

Mr. SALINGER. Actually, the property cost \$28,500.

Mr. KENNEDY. And where did the difference of \$4,000 go?

Mr. SALINGER. A check for \$4,000 was drawn out of the escrow by the Stockton Abstract & Title Co., payable to the order of Ed Doran.

Mr. KENNEDY. Who was Ed Doran at that time?

Mr. SALINGER. He was business agent of the Stockton branch of Local 3 of the Operating Engineers Union.

Mr. KENNEDY. So the union used \$33,500 of its funds to purchase this piece of property and the property actually cost \$29,500?

Mr. SALINGER. \$28,500.

Mr. KENNEDY. And the \$4,000 left went to Mr. Ed Doran the business agent of the local, is that right?

Mr. SALINGER. There was also a commission payment for \$1,000 which makes a total of \$33,500.

The CHAIRMAN. You have the total cost to the union as \$33,500?

Mr. SALINGER. That is correct.

The CHAIRMAN. \$28,500 went to actually purchase the property, plus \$1,000 commission?

Mr. SALINGER. That is correct.

The CHAIRMAN. Which would be legitimate, I assume.

Mr. SALINGER. Yes, sir.

The CHAIRMAN. That leaves then \$4,000 to account for some other purpose.

Mr. SALINGER. That is correct.

The CHAIRMAN. Where did it go?

Mr. SALINGER. The difference of \$4,000 was drawn as a check to the account of Ed Doran, the business agent of the union in Stockton, Calif.

The CHAIRMAN. It went to Ed Doran. Do you have a photostatic copy of that check?

Mr. SALINGER. Yes, sir.

The CHAIRMAN. It may be made exhibit No. 4.

(The document referred to was marked "Exhibit No. 4" for reference and will be found in the appendix on p. 7842.)

Mr. SALINGER. To conceal the actual price of this tract of land, a dummy was employed and the land was actually sold to the dummy

and transferred the same day to the union, so that they could conceal the true price of the land.

The CHAIRMAN. In other words, they paid out the \$28,500, the true price of the land, and had it deeded to a dummy and then made the other payment to the dummy so as to get the other \$4,000?

Mr. SALINGER. Yes, sir.

Mr. KENNEDY. The American Legion got the \$28,500?

Mr. SALINGER. Yes, sir.

Mr. KENNEDY. And then they deeded the property to Stivers and Stivers then sold the property of the American Legion for the \$33,500 and turned over \$4,000 of this to Mr. Doran?

Mr. SALINGER. That is correct.

Mr. KENNEDY. Now, we have the parcel of property split into three sections.

The Operating Engineers then proceeded to sell parcel No. 1, did they not?

Mr. SALINGER. They did.

Senator MUNDT. Before we leave the \$4,000, did you trace the \$4,000 check Mr. Doran received, to determine who ultimately got the money or did he keep it all or did he split it up with some of his conferees?

Mr. KENNEDY. We expect to develop what happened to some of these moneys with other witnesses, and we want to find out their explanation. If we could wait until that time and have these other witnesses explain as to what they did with the money, I think we could do it better. We have the witnesses here and that is the way we expect to develop it.

You have parcel No. 1.

Mr. SALINGER. On the chart parcel No. 1 is in green. That was sold by the union for \$8,500, whereas the true price of the land was \$20,000. Again, the same dummy was used, the land was sold by the union to the dummy who turned around and sold it on the same day to the eventual owners, and the union received a check for \$8,500 and out of the escrow, a check was drawn in favor of Ed Doran in the amount of \$9,884.76.

Mr. KENNEDY. Now, that check to Ed Doran was cashed by him on January 15, 1956, at the American Trust Co.

Mr. SALINGER. The check bears his endorsement and it shows it was cashed on January 15, 1956.

The CHAIRMAN. That check may be made exhibit No. 5.

(The document referred to was marked "Exhibit No. 5" for reference and will be found in the appendix on p. 7843.)

Senator CURTIS. May I ask, who are the ultimate purchasers of parcel No. 1.

Mr. SALINGER. The ultimate purchasers of parcel No. 1 Senator, I will tell you in a minute. They are two couples described as Orval and Betty Schroebl, and Donald and Mary Fowell.

I understand those to be doctors who were intending to build a hospital on this land.

Senator CURTIS. Approximately how much time elapsed from the purchase of the entire tract by the union until parcel No. 1 was sold?

Mr. SALINGER. On this parcel, there was a lapse of time from March 11, 1955, to December 14, 1955.

Senator CURTIS. All within the same calendar year?

Mr. SALINGER. Yes, sir, the same calendar year.

Mr. KENNEDY. This property was sold originally to the Stivers?

Mr. SALINGER. It went through the Stivers as the dummy.

Mr. KENNEDY. Raymond and Dorine were the Stivers?

Mr. SALINGER. Right.

Mr. KENNEDY. The union sold it for \$8,500, the Stivers sold it to the Schroebels and Fowell, for that?

Mr. SALINGER. Yes, sir.

Mr. KENNEDY. And the difference went in this check to Mr. Ed Doran?

Mr. SALINGER. That is correct.

Mr. KENNEDY. That is for parcel No. 1.

The CHAIRMAN. What does that show, the kickback or the profits out of that?

Mr. SALINGER. I will tell you exactly.

Mr. KENNEDY. \$9,874.76.

Mr. SALINGER. That is right.

Mr. KENNEDY. Do you have the documents on that?

Mr. SALINGER. They have not all been made exhibits. We have the check to local No. 3 of the Operating Engineers Union, in the amount of \$8,500.

The CHAIRMAN. That will be made exhibit 6.

(The document referred to was marked "Exhibit No. 6" for reference and will be found in the appendix on p. 7844.)

Mr. SALINGER. And the escrow instructions selling the property from Raymond and Dorine Stivers to the Schroebels and Fowells for \$20,000.

The CHAIRMAN. The escrow agreement; is it?

Mr. SALINGER. That is right, sir.

The CHAIRMAN. Do you have a photostatic copy of that?

Mr. SALINGER. I have, sir.

The CHAIRMAN. This will be made exhibit No. 7.

(The document referred to was marked "Exhibit No. 7" for reference and will be found in the appendix on p. 7845.)

Mr. SALINGER. Parcel No. 2 was again sold through the same dummies. The total price—

Mr. KENNEDY. Would you get the date on that?

Mr. SALINGER. The date on that is July 11, 1955. Actually it was sold before parcel 1, but we have them in this order. It was sold on July 11, 1955, to the same dummies, Raymond and Dorine Stivers, who turned around and sold it to a man by the name of Parker Bielke.

Mr. KENNEDY. On the same day?

Mr. SALINGER. The same day. The true price of the property was \$24,900, but the Operating Engineers Union only received \$10,858. Out of this escrow, a check was drawn to the favor of Ed Doran in the amount of \$12,071.

Mr. KENNEDY. In other words, the union sold the property to the Stivers for \$10,858.

Mr. SALINGER. Correct, sir.

Mr. KENNEDY. On the same day, the Stivers sold the same property to Bielke for \$24,900?

Mr. SALINGER. Right, sir.

Mr. KENNEDY. And the difference, after cost, of \$12,071, was made out in a check to Mr. Ed Doran; is that right?

Mr. SALINGER. That is correct, sir.

Mr. KENNEDY. Do you have all the documents on that?

Mr. SALINGER. I would like to mention in connection with this check that it bears two endorsements. It bears the endorsement of Ed Doran, and the subsequent endorsement of Victor S. Swanson, and shows to have been cashed at the American Trust Co. in San Francisco, Calif., 2 days after it was drawn.

Mr. KENNEDY. Who is Mr. Victor S. Swanson?

Mr. SALINGER. At that time, Mr. Victor S. Swanson was the sixth international vice president of the Operating Engineers Union and he was the business manager of the San Francisco Local Union No. 3.

Mr. KENNEDY. Does he have any position with the union at the present time?

Mr. SALINGER. He does not.

Mr. KENNEDY. Would you explain that to the committee?

Mr. SALINGER. Well, in the summer of 1957, accountants from the union were sent in to check on the books of local No. 3, and as a result of that check, a trial was held in Washington and Mr. Swanson was suspended from his union job.

Mr. KENNEDY. At that time did they go into the Stockton land transaction?

Mr. SALINGER. They did, but only to a lesser extent. In other words, they only carried the transaction so far.

Mr. KENNEDY. They were not able to get the complete facts?

Mr. SALINGER. They were not able to get the complete facts on it. I have the documents here. One is the check to the Operating Engineers Union for \$10,858.

The CHAIRMAN. That check may be made—what is the date of it?

Mr. SALINGER. July 11, 1955.

The CHAIRMAN. It may be made exhibit No. 8.

(The document referred to was marked "Exhibit No. 8" for reference and will be found in the appendix on p. 7846.)

Mr. SALINGER. The check to Ed Doran for \$12,071, the same date, July 11, 1955.

The CHAIRMAN. That will be made exhibit No. 9.

(The document referred to was marked "Exhibit No. 9" for reference and will be found in the appendix on p. 7847.)

Mr. SALINGER. And the escrow instructions which showed that Raymond and Dorine Stivers turned the land over to Parker Bielke and his wife for \$24,800.

The CHAIRMAN. That escrow agreement will be made exhibit No. 10.

(The document referred to was marked "Exhibit No. 10" for reference and will be found in the appendix on p. 7848.)

Mr. SALINGER. Parcel No. 3 was sold on February 8, 1958, by Operating Engineers Union Local No. 3, to Mr. Ed Doran and Mr. Victor Swanson for a total of \$15,150.

Mr. KENNEDY. Mr. Salinger, going back to the first two parcels, they were sold for considerably more money than what the union had originally paid for this piece of property?

Mr. SALINGER. That is correct.

Mr. KENNEDY. What is the explanation for that?

Mr. SALINGER. The explanation for that is that after the union had acquired the property, measures were started to get this particular piece of property incorporated into the city of Stockton and have sewers put in. This eventually was accomplished on October 28,

1955. So the land became more valuable by the very fact that it had been incorporated in the city of Stockton, and that sewers were being put in at the cost of the city.

Mr. KENNEDY. That is why they were able to get a greater price?

Mr. SALINGER. That is correct.

The CHAIRMAN. Was it March when they bought the whole tract from the Legion?

Mr. SALINGER. Yes, sir; March 1955.

The CHAIRMAN. In March of 1955 this improvement project and incorporating the tract of land within the city limits had not been accomplished?

Mr. SALINGER. That is right, sir.

The CHAIRMAN. And that was accomplished when?

Mr. SALINGER. It was started in July. It was completed in October.

The CHAIRMAN. Of the same year?

Mr. SALINGER. That is right, sir.

The CHAIRMAN. When it was completed, the property, of course, became more valuable?

Mr. SALINGER. Yes, sir. Also it might be noted here that the original request to have this land incorporated into the city of Stockton was made by the attorney for the Operating Engineers Union in Stockton, Calif.

The CHAIRMAN. In other words, the Operating Engineers, through its attorney, had initiated the effort to get it incorporated and improved?

Mr. SALINGER. That is correct, sir.

The CHAIRMAN. All right.

Mr. KENNEDY. This third parcel of land, the union sold to Mr. Victor S. Swanson and Mr. Ed Doran for \$15,150, is that right?

Mr. SALINGER. That is correct, sir.

Mr. KENNEDY. How did that compare to the other two parcels of land as far as value was concerned?

Mr. SALINGER. Well, the third parcel, of course, by this time was much more valuable than the other two parcels. However, the price that they paid for it was based on a front footage, dollars-per-front-footage basis, of exactly what the union had paid for it back in March of 1955.

Mr. KENNEDY. So they did not take into account the increased value of the land?

Mr. SALINGER. They did not, in any way.

Mr. KENNEDY. And Mr. Swanson and Mr. Doran were only made to pay the \$15,000?

Mr. SALINGER. That is right, sir.

I might point out that the deed, which deeded this particular property over to Mr. Swanson and Mr. Ed Doran, was signed by two officers of local No. 3 of the Operating Engineers Union, Mr. Clancy and Mr. Mathews.

Mr. KENNEDY. What are their full names?

Mr. SALINGER. Pat Clancy.

Mr. KENNEDY. What was his position?

Mr. SALINGER. President of the local.

Mr. KENNEDY. What is his position at the present time?

Mr. SALINGER. President of the local. And Mr. Clarence F. Matthews, who was and still is the recording secretary of the union.

The CHAIRMAN. That photostatic copy of the deed may be made exhibit No. 11.

(The document referred to was marked "Exhibit No. 11" for reference and will be found in the appendix on p. 7849.)

Senator CURTIS. To whom is the deed made?

Mr. SALINGER. From the Operating Engineers Local No. 3, to V. S. Swanson and Ed Doran.

Senator CURTIS. How long did they hold that before they sold it back to the union?

Mr. SALINGER. They didn't hold it very long. They held it a little less than 6 months.

Senator CURTIS. Was it less than 6 months or more than 6 months?

Mr. SALINGER. It was less than 6 months.

Senator CURTIS. Who got the most money out of this whole tract of land, the original owners, the American Legion, or the union leaders?

Mr. SALINGER. The union leaders by far got more than anybody else.

Mr. KENNEDY. Could you explain what happened on that?

Mr. SALINGER. Do you want to put in the check from the Stockton Abstract & Title to the Operating Engineers for the purchase of this?

The CHAIRMAN. That check may be made exhibit No. 12.

(The document referred to was marked "Exhibit No. 12" for reference and will be found in the appendix on p. 7850.)

Mr. SALINGER. I would like to point out that this sale was on February 9, 1956. On August 8, 1956, the land was sold by Ed Doran and Victor Swanson to the same dummies, Raymond and Dorine Stivers, who that same day turned around and sold the land to the union for \$35,000.

The CHAIRMAN. They had paid \$15,150 for it?

Mr. SALINGER. They had paid \$15,150 for it.

The CHAIRMAN. And they sold it for what?

Mr. SALINGER. \$35,000.

The CHAIRMAN. Back to the union?

Mr. SALINGER. Yes.

The CHAIRMAN. That was within less than 6 months after the original transaction?

Mr. SALINGER. One day less than 6 months.

Mr. KENNEDY. Do you have some information that indicates that they thought they kept it for the 6-month period, and therefore could take a long-term gain on it?

Mr. SALINGER. We have information to that effect, yes, sir.

Mr. KENNEDY. But actually the records show that they kept it for 1 day less than 6 months?

Mr. SALINGER. That is correct.

Mr. KENNEDY. So if they took a long-term capital gain on their income tax, they took it incorrectly; is that right?

Mr. SALINGER. That is correct, sir.

I have here the check in the amount of \$35,000 from the Operating Engineers Union, Local No. 3, to the Stockton Abstract & Title Co.

The CHAIRMAN. When is that dated?

Mr. SALINGER. It is dated August 4, 1956.

The CHAIRMAN. That check may be made exhibit No. 13.

(The document referred to was marked "Exhibit No. 13" for reference and will be found in the appendix on p. 7851.)

Mr. SALINGER. And I have two checks dated August 8, 1956, which are payments out of the escrow, one to Victor S. Swanson, the other to Ed Doran and Alma Doran, both in the amount of \$17,000.

The CHAIRMAN. Those checks, the two of them, may be made exhibit 14.

(The documents referred to were marked "Exhibit No. 14 and 14A" for reference and will be found in the appendix on pp. 7852-7853.)

Mr. KENNEDY. Going one step further, were you able to trace down what Mr. Victor S. Swanson did with his \$17,000?

Mr. SALINGER. We were, sir.

Mr. KENNEDY. What did he do with his \$17,000?

Mr. SALINGER. Mr. Victor S. Swanson took his check for \$17,000 to the Mission Savings branch of the American Trust Co. in San Francisco, Calif., where he converted it into two cashier's checks. One of the cashier's checks in the amount of \$11,318.06 was payable to Operating Engineers Union, Local No. 3, and went for the purchase of some previously held water department land—in other words, land which had previously been held by the city of Stockton and county of San Francisco Water Department.

The land was actually in San Bruno, Calif.

Mr. KENNEDY. The Operating Engineers had purchased some property from the water department of the city of San Francisco?

Mr. SALINGER. Could I give you a little history on this particular plot of land?

Mr. KENNEDY. Yes.

Mr. SALINGER. This particular plot of land, which is adjacent to a railroad right-of-way in San Bruno, Calif., was owned by the San Francisco Water Department. At a meeting of the San Francisco Public Utilities Commission on April 28, 1952, this land was declared surplus and put up for sale. It should be pointed out that at this time Mr. Victor S. Swanson was a member of the San Francisco Public Utilities Commission, and he shows to have been present at the meeting on that day, and therefore took part in the action which declared this land surplus.

The CHAIRMAN. In other words, as an official of the city, in an official act, he took part in the proceedings necessary to declare this tract of land surplus and also to put it up for sale?

Mr. SALINGER. That is correct.

This is followed by a letter which was received by the director of property of the city of San Francisco, Eugene J. Reardon, on May 20, 1952, about 3 weeks later. The letter is signed by Pat Clancy, 257 Desmond Street, San Francisco, Calif. Mr. Clancy was the president of local No. 3 of the Operating Engineers Union. He states:

Approximately 3 weeks ago I submitted an offer on some city-owned real estate at San Bruno, which consists of 14.6 acres. I would appreciate your advising me of the time and place of the sale of said real estate.

The CHAIRMAN. That letter is dated when?

Mr. SALINGER. He says 3 weeks previously he made an offer.

The CHAIRMAN. When was the order made by the commission?

Mr. SALINGER. April 28.

The CHAIRMAN. April 28?

Mr. SALINGER. Yes.

The CHAIRMAN. And that is dated what?

Mr. SALINGER. May 20.

The CHAIRMAN. And he said some 3 weeks ago he had submitted an offer?

Mr. SALINGER. I would say it would probably be either the day they made the order or the following day, just going back 3 weeks. However, the director of property did not recall getting an offer from Mr. Clancy in this matter. In fact, he wrote him a letter to that effect. But on the original letter that Mr. Clancy wrote, he made this notation—

The CHAIRMAN. Who?

Mr. SALINGER. They are referring to a man named Mr. McDonald, an official of the PUC:

Mac of PUC says Mr. Clancy probably made offer to Commissioner Swanson. PUC has adopted resolution—

and so forth.

The CHAIRMAN. The first letter from Mr. Clancy to Mr. Eugene J. Reardon, dated May 20, 1952, may be made exhibit 15, and the next letter to Mr. Clancy from Mr. Eugene J. Reardon, dated June 4, 1952, may be made exhibit 16.

(The documents referred to were marked respectively "Exhibits No. 15 and No. 16" for reference and will be found in the appendix on pp. 7854-7855.)

Mr. SALINGER. The record will show that it took some 3 years for the city finally to get around and sell this property. When they did, a tract in that particular section amounting to some 3 acres was purchased by the Operating Engineers Union, Local No. 3, the purchase was made on February 5, 1955.

I might point out that under section 222 of the San Francisco city charter, Commissioner Swanson was barred by law from actually purchasing this land himself. The union held it from February 5, 1955, until October 15, 1956.

(At this point Senator Ives left the hearing room.)

The CHAIRMAN. At the time that he acted as commissioner with respect to the disposal of this property—Mr. Swanson I am speaking of—what position did he hold with the operating engineers?

Mr. SALINGER. He was business manager of the operating engineers.

The CHAIRMAN. Of that local?

Mr. SALINGER. Yes, sir.

The CHAIRMAN. He was acting in a dual capacity?

Mr. SALINGER. That is correct.

The CHAIRMAN. On behalf of the city as an official of the city to sell the property and as business manager on behalf of the union to purchase the property.

Mr. SALINGER. That is correct, sir.

The union, as I say, purchased the land on February 5, 1955, while Mr. Swanson was still a member of the Public Utilities Commission and on October 15, this check that I have told you about, that came out of this \$17,000 check that he got on this Stockton land deal, and he had taken the \$17,000 check and bought the two cashier's checks.

One cashier's check went to the union to buy from the union this particular piece of land, and by then Mr. Swanson was no longer a member of the Public Utilities Commission.

The CHAIRMAN. So he had bought this particular piece of land that he had helped to sell and helped to buy for the union and then he buys that particular piece of land for \$11,000 and some.

Mr. SALINGER. He paid for the land exactly what the union paid for it, plus the taxes that had been paid on the property.

The CHAIRMAN. What the union had paid for it 3 years before?

Mr. SALINGER. February 5, 1955, when they actually bought it.

Mr. KENNEDY. And does the record show that Mr. Swanson's son paid the taxes at least initially, while the property was owned by the union?

Mr. SALINGER. While the property was owned by the union, a tax payment of \$153.72 was made by the Marshall Development Co., which is owned by Mr. Marshall Swanson, the son of Mr. Victor S. Swanson.

Mr. KENNEDY. Now, out of this first transaction which led into this, how much did these union officials make from this sale and repurchase of land?

Mr. SALINGER. They made a total of \$59,955.76.

Mr. KENNEDY. What did the union end up with?

Mr. SALINGER. The union ended up with one-third of the land that they had originally purchased by paying \$1,650 more than the original sale price.

Mr. KENNEDY. They ended up with a third of the land, minus \$1,600, and the union officials wound up with over \$59,000.

Mr. SALINGER. That is correct.

Mr. KENNEDY. I believe that is all.

The CHAIRMAN. Are there any questions by any member of the committee?

Senator CURTIS. Who are these people that acted as dummies in this transaction?

Mr. SALINGER. Our investigation tells us that they are the next-door neighbors of Mr. Ed Doran.

Senator CURTIS. Was it a husband and wife?

Mr. SALINGER. They are, sir.

Senator CURTIS. Where does the husband work?

Mr. SALINGER. He is a real-estate man in Stockton.

Senator CURTIS. And what title company handled these transactions?

Mr. SALINGER. The Stockton Abstract & Title Co.

Senator CURTIS. And this man who took title to the land, is he connected with the title company?

Mr. SALINGER. No, sir; he is not.

Senator CURTIS. Now, in investigating this, did you find any evidence of any audits or checking into this transaction by any higher authority in the union?

Mr. SALINGER. Up to the time of the audit made last year which led to the charges against Mr. Swanson, no, sir.

Senator CURTIS. Is this an independent union?

Mr. SALINGER. It is a local of this international union, the International Union of Operating Engineers.

Senator CURTIS. The International Union of Operating Engineers; is that an independent union?

Mr. SALINGER. No, sir; it is a member of the AFL-CIO.

Senator CURTIS. That is all.

Senator MUNDT. Was it on the basis of these transactions that Mr. Swanson lost his job with the local?

Mr. SALINGER. It was on the basis of the parts of these transactions which the international became aware of that he lost his job; yes, sir.

Senator MUNDT. Dealing with the same real-estate transactions?

Mr. SALINGER. Yes, sir.

Senator MUNDT. They may not have known all of the facts, but they knew enough of the facts to indicate their activity and discharged them?

Mr. SALINGER. Yes, sir.

Senator MUNDT. But the international union took no step in that, as I understand it, until Mr. Swanson tried to replace the president of the international union.

Mr. SALINGER. That is correct.

Senator MUNDT. So that it would be indicated that this was a movement not so much to clean up the union as it was spite work against Mr. Swanson.

Mr. SALINGER. It may be, sir.

Senator KENNEDY. Well now, the Stockton Abstract & Title Co., were they aware of the details of this arrangement?

Mr. SALINGER. I don't see how they could have helped but be aware of it.

Senator KENNEDY. I think on the seller's escrow instructions of the Stockton Abstract & Title Co. there was the payment listed of \$24,900 and the Operating Engineers were getting \$10,858 and your check for the balance to Ed Doran, didn't they know he worked for the union?

Mr. SALINGER. I am sure they did.

Senator KENNEDY. Then, is it your opinion that the Stockton Abstract & Title Co. obviously behaves itself improperly?

Mr. SALINGER. I can't see how they would have been unaware of what was going on.

Senator KENNEDY. It seems that way to me. What about the Stivers, did they not serve as the intermediate, or the dummy?

Mr. SALINGER. They did in all cases.

Senator KENNEDY. Whom did they work for?

Mr. SALINGER. He works for a real estate company called Peirano Bros.

Senator KENNEDY. Well now, the Peirano Bros., were they not aware of the details, too?

Mr. SALINGER. That I cannot answer, sir.

Mr. KENNEDY. Was Mr. Stivers as their agent aware of it?

Mr. SALINGER. Yes, sir.

Mr. KENNEDY. And he was the next-door neighbor of Ed Doran?

Mr. SALINGER. That is right.

Mr. KENNEDY. Ed Doran was the business agent?

Mr. SALINGER. That is right.

Mr. KENNEDY. Of the local?

Mr. SALINGER. Yes, sir.

Mr. KENNEDY. And Mr. Stivers as the representative of Peirano Bros. participated in Mr. Doran receiving this money?

Mr. SALINGER. That is right, and not only that but the Peirano Bros. got checks out of a number of these transactions.

Senator KENNEDY. How many people did the Peirano Bros. have working for them?

Mr. SALINGER. I can't answer that.

Senator KENNEDY. Were they not aware of what one of their men was doing?

Mr. SALINGER. I think it is quite likely.

Mr. KENNEDY. In my discussion with Mr. Stivers on the telephone yesterday he said that he informed the Peirano Bros., his superiors, as to what was taking place. As far as the Stockton Abstract & Title Co., according to all of their documents, Mr. Ed Doran was handling this transaction for the union, was he not?

Mr. SALINGER. That is correct and all of the documents and the escrow of the Stockton Abstract & Title Co. are signed by the vice president and general manager of the company, Mr. Heronimus.

Mr. KENNEDY. They participated or they knew he was representing the union, but nevertheless, they participated in his receiving these sums of money.

Mr. SALINGER. That is correct and all of the checks were paid by the abstract company to Mr. Ed Doran.

Senator MUNDT. Is there any evidence to indicate that Mr. Stivers was getting a kickback or was he just engaged in a good-neighbor act?

Mr. SALINGER. Mr. Stivers in some of these transactions got checks out of the escrow for commissions. Beyond that, I couldn't say.

Senator MUNDT. He got a commission?

Mr. SALINGER. That is right, sir.

Senator MUNDT. And the Peirano Bros. also got a commission?

Mr. SALINGER. That is correct, sir.

Senator MUNDT. So that if he were an employee of the firm, his commission must have been for this neighborly act of letting them use his name as a dummy, rather than a real-estate transaction.

Mr. SALINGER. I would think so, Senator.

Senator GOLDWATER. Might I ask a question here. In your opinion, was the title company engaged in anything illegal in handling these transactions?

Mr. SALINGER. Well now, Senator, I am not an expert on real-estate law. I would say that certainly it was improper activity on the part of the title company.

Senator GOLDWATER. Well, what could they have done, in your opinion?

Mr. SALINGER. Well, I think the problem lies in the fact that they knew that this dummy was being used and the land was being bought and sold on the same day.

Senator GOLDWATER. What would they have done—refused to engage in the transaction?

Mr. SALINGER. They would have to answer for themselves.

Senator GOLDWATER. I think it is important that we get that cleared up because in my memory this is not an unusual thing to go through in the purchasing and selling of real estate. If you are leaving the inference that this title company, and I know nothing about the title company, acted illegally I think that we ought to clear that up. If there is some way that they could prevent this transaction I think that it would be additional testimony for you to tell us how they might have done it.

Mr. SALINGER. The representative of the title company has been asked to be here today, and maybe he can explain it better than I can.

Senator KENNEDY. I personally think there is not any doubt that the Stockton Abstract & Title Co., while the union officials who were involved here are completely culpable, I do not think that there is any doubt that the Stockton Abstract & Title Co. is, also.

They were a part of this deal and there is not any doubt, looking over this exhibit, that they were aware that the money was going to Ed Doran and that, therefore, they had a complete responsibility, too, and so does the real-estate company.

Senator GOLDWATER. Will the Senator explain that? He is a lawyer and I am not.

Senator KENNEDY. I am not a lawyer. I am just giving you my opinion. I do not see quite why the union man should be the only one considered responsible and not the Stockton Abstract & Title Co.

Senator GOLDWATER. I could not agree with you more if what they have done is illegal, but this kind of a transaction is not an unusual kind of a transaction. I am at a loss to know where their responsibility rests in this. Should they have, for instance, refused to engage in it?

Senator KENNEDY. I think obviously they should have because it was quite obvious that a dummy was being used and the Operating Engineers were finding that they were getting \$10,858 and Mr. Doran was an officer of the engineers and he was getting \$12,000.

I think that the deal was improper, and I think you agree that Mr. Doran's activities were improper. I think that the Stockton Abstract & Title Co. must have known what was going on and, therefore, I think what they did was improper.

Senator GOLDWATER. If they are going to be on the stand I think it is important to question them on that. That is not an unusual real-estate transaction.

Senator CURTIS. Was there anything, Mr. Salinger, in your investigation to indicate that the title company enriched themselves out of this in any way beyond the usual title company charges?

Mr. SALINGER. There is not, Senator.

Senator CURTIS. Nothing?

Mr. SALINGER. No.

Senator CURTIS. They did not share in this property but the union officials did, is that not correct?

Mr. SALINGER. That is correct, sir.

Senator CURTIS. And also it is the practice for the title company to execute the conveyances and distribute the money according to the contract entered into by the parties that come before them, is that not correct?

Mr. SALINGER. Well, as I told Senator Goldwater, Senator, I am not an expert on real-estate law and I went in to find out what these transactions were, and what had been done with the money. As far as what is usually done about abstract companies, I couldn't say.

Senator CURTIS. That is all.

Senator MUNDT. Did the title company know that Mr. Doran was the head of the union?

Mr. SALINGER. Beyond any reasonable doubt they knew he was connected with the union.

Senator MUNDT. On what do you base that assumption? You say, "beyond any reasonable doubt."

Mr. SALINGER. Well, I think that will be developed by another witness.

Mr. KENNEDY. They told me, for one thing.

Senator MUNDT. They told you that they knew he was?

Mr. SALINGER. Yes, sir.

Senator MUNDT. At the time?

Mr. SALINGER. Yes, sir.

Senator MUNDT. A union official?

Mr. SALINGER. Yes, sir.

Senator MUNDT. So that they knew as a union official he was receiving a check as part of this transaction?

Mr. SALINGER. Mr. Doran is not a stranger in Stockton. He is a well-known figure in Stockton.

Senator MUNDT. How big a city is Stockton?

Mr. SALINGER. I would say about 80,000.

Senator MUNDT. Well, I think with a city of that size they might not know what occupation he was in. Of course, if they told the chief counsel they knew it, they must have known it. But I would not expect an abstract company in a city of 80,000 to know the business and occupation and means of livelihood of all of the people in a community of that size.

Senator KENNEDY. Just to get this, Mr. Salinger, was it your impression from your investigation that they knew Mr. Doran before he came?

Mr. SALINGER. Yes, sir; there had been previous real-estate transactions in which they dealt with him.

Senator KENNEDY. And it is your opinion that he knew what his position was?

Mr. SALINGER. Yes, sir.

Senator KENNEDY. Now, let me ask you if the Stockton Abstract & Title Co. made any money out of this deal in any way?

Mr. SALINGER. That I can't say.

Senator KENNEDY. Did they receive a fee?

Mr. SALINGER. Beyond their fees, I don't know.

Senator KENNEDY. They received a fee?

Mr. SALINGER. Yes, sir.

Senator KENNEDY. In other words, then, they profited to the extent of the fee from this transaction, which was highly improper?

Mr. SALINGER. That is correct.

Senator KENNEDY. That is why I would say again that they should have refused to perform the action that they performed and by doing so they became a part of the deal.

Senator MUNDT. Do you have in the record the size of the fee?

Mr. SALINGER. I think we can work it out for you, sir, and I do not have it right at my fingertips.

Senator MUNDT. It does not show on the face of the document any place?

Mr. SALINGER. Well, it talks about the normal title fees but it does not elicit exactly the amount, and we would have to take the checks and go back and figure out what had been deducted for title searches and so forth.

Senator MUNDT. It would be interesting to supply it for the record.

Mr. SALINGER. Yes, sir.

Senator GOLDWATER. Is that not a fee that is set by law?

Mr. SALINGER. Again, I can't answer that question.

Senator GOLDWATER. I think that you will find it is set by the California law. Do you know what the function of the title company is in this instance?

Mr. SALINGER. In this instance?

Senator GOLDWATER. In any instance of land transaction, what are they supposed to do?

Mr. SALINGER. Again, in this particular instance, they acted as the holder of the money and they made the title search and checked the taxes and that there were no encumbrances on the property and they did the normal things to find out whether the property could be sold from one party to the other.

Senator GOLDWATER. I think that you have covered it.

Senator McNAMARA. Was there a broker involved in this transaction, involving parcel No. 1?

Mr. SALINGER. Parcel No. 1?

Senator McNAMARA. Yes.

Mr. SALINGER. Mr. Stivers acted as the agent.

Senator McNAMARA. I assumed that it requires a licensed broker to handle a deal like this. Am I wrong in such an assumption?

Mr. SALINGER. Out of escrow there were two checks paid, one to a real-estate man in Stockton, Fran Capple, and another to Peirano Bros.

Senator McNAMARA. You do not know whether he was a licensed broker?

Mr. SALINGER. I don't know.

Senator McNAMARA. Do you know whether or not Doran had a broker's license? That is what you call him, the business agent?

Mr. SALINGER. I do not know whether Doran had a broker's license or not, sir.

Senator McNAMARA. I, of course, am not an attorney and you are not an attorney, and we have some very able attorneys here. I just assumed that it requires a licensed broker to handle the transactions of this nature. Now maybe that is not so.

Mr. SALINGER. I am confident that Peirano Bros. is a licensed broker.

Senator McNAMARA. What was their role in the thing?

Mr. SALINGER. They received commissions. The deals were handled by their agent, Mr. Stivers.

Senator McNAMARA. You assume that they were the licensed real-estate broker?

Mr. SALINGER. I think that I recall Mr. Stivers telling us that.

Senator McNAMARA. Did your search indicate whether or not the union in fact ever held title to this property until they had paid what you believed to be an exorbitant price for part No. 3?

Mr. SALINGER. They held title to it; yes, sir.

Senator McNAMARA. Who held title to it?

Mr. SALINGER. The union held title to it, sir.

Senator McNAMARA. When you say "the union" do you mean anybody besides Doran?

Mr. SALINGER. No; it was held, the title was held in the name of the Operating Engineers, Local No. 3 of the International Union of Operation Engineers, a corporation.

Senator McNAMARA. You have evidence that they physically had title to the property?

Mr. SALINGER. Well here is the deed, sir.

Senator McNAMARA. I think the deed so indicates it was transacted in their name, but whether the union board of directors of this local union ever had control of the title of this property—

Mr. SALINGER. I believe in interviews with officials of the union, they told me that they had the deed.

Senator McNAMARA. You have reason to believe that they actually did hold title?

Mr. SALINGER. Yes, sir.

Senator McNAMARA. Do you know whether this original purchase, where the \$3,350 was paid, was an act that was approved by the rank and file of the local union?

Mr. SALINGER. The initial purchase of the land for \$33,500 was made under authority of a resolution adopted in 1953 which called for the purchase of various lots throughout California to build buildings, so they had authority for the purchase.

There is, however, nothing in the minutes which authorizes them to cut it up and sell it.

Senator McNAMARA. They did have authority to go and purchase in a blanket manner, to purchase property in a general area?

Mr. SALINGER. They did not specify any particular town, but they said that they would need lots in various areas where they had members to build buildings and to serve these members.

Senator McNAMARA. That is very interesting. I think it would be interesting to develop somewhere along here, who actually was the licensed broker involved in these transactions.

This man Doran that you mentioned apparently whether he was licensed or not, was handling the transactions firsthand more than almost anybody else and he was the prime mover; was he not?

Mr. SALINGER. He was certainly participating in the transactions.

Senator MUNDT. If you will yield, the assistant to the man on the stand says that the Peirano Bros. were the licensed brokers.

Senator McNAMARA. I would be glad to ask through the witness if he can get that information.

Mr. SALINGER. If Mr. Gordon says they were, they were.

Senator McNAMARA. What did he say?

Mr. SALINGER. He said the Peirano Bros. were the licensed brokers in this transaction.

The CHAIRMAN. Will you be sworn, please?

Do you solemnly swear that the evidence you shall give before this Senate select committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. GORDON. I do.

TESTIMONY OF JOSEPH I. GORDON

The CHAIRMAN. State your name and your place of business and residence and occupation.

Mr. GORDON. My name is Joseph I. Gordon, and I live at 8027 Gary Boulevard, Gary, and I am an employee of the General Accounting Office, detailed to work for the committee.

The CHAIRMAN. You are with the Federal Government, the General Accounting Office and you made a search of these records and you helped conduct this investigation.

Mr. GORDON. Yes; under the supervision of Mr. Salinger.

The CHAIRMAN. Now, ask any questions you want.

Senator McNAMARA. Did you indicate by your remarks prior to being sworn that the brokers were this real-estate company?

Mr. GORDON. Peirano Bros.; yes, sir.

Senator McNAMARA. Is a license required to legally carry on this kind of transaction?

Mr. GORDON. Yes, sir; I found that out from Mr. Stivers and other real-estate men. Mr. Stivers does not have a real-estate broker's license and he is merely a salesman.

Senator McNAMARA. Then he was operating on the license held by the real-estate dealers?

Mr. GORDON. Yes, sir; he was.

Senator McNAMARA. Did they get an exorbitant fee out of this transaction?

Mr. GORDON. No; as a matter of fact, Mr. Stivers told me that he got less than a real-estate commission out of it.

Senator McNAMARA. Was he the man who got the \$1,000 in that?

Mr. GORDON. He got \$800 in one and the Peirano Bros. got \$200 of the \$1,000 commission.

Senator McNAMARA. Is it the customary fee for property of this type to be approximately 5 percent of the sale?

Mr. GORDON. Approximately, yes, sir; I understand that it is.

Senator McNAMARA. Were these same brokers or real-estate people involved in all three transactions?

Mr. GORDON. Yes; the very same ones, with the exception of one case. They had a man by the name of Jack Kane who was in there. I don't know what his relationship is to any other firm. But I do understand that he actually brought a purchaser of a subsequent piece of property, 1 of the 3 parcels. I don't remember just what it is, sir.

Senator McNAMARA. He normally would be entitled to what is referred to as a tip fee, wouldn't he?

Mr. GORDON. Well, for a finder's fee. He did get paid I think he got \$1,000.

Senator McNAMARA. And which would be a legitimate fee, would it?

Mr. GORDON. It is a fee. I have no means of actually evaluating whether it is a legitimate fee or a fair fee, but he did get a fee, which he apparently asked for.

Senator MUNDT. You and I are not lawyers, but the lawyers have forwarding fees, so it must be legitimate.

Mr. GORDON. He may have gotten a finder's fee.

Senator McNAMARA. I don't want to accept the inference that the lawyers have a license to steal.

TESTIMONY OF PIERRE E. G. SALINGER—Resumed

Senator McNAMARA. I would like to ask you, Mr. Salinger, this fellow Doran who apparently was very busy selling real estate, did your investigation indicate that he did anything for the union? Was he operating as a business agent for the union?

Mr. SALINGER. He was a business agent; yes, sir.

Senator McNAMARA. Was he doing anything besides these real-estate transactions?

Mr. SALINGER. I understand he did; yes, sir.

Senator McNAMARA. Do you know what he did for the union? All we have him in the role of here is businessman. He was handling money he had a right to handle, and as a businessman he is buying and selling.

Mr. SALINGER. Senator, he is going to be a witness here this afternoon.

Senator McNAMARA. You don't have that information?

Mr. SALINGER. No, sir.

Senator McNAMARA. When the transaction was all finished on this 1 piece of property, which has been cut up into 3 parcels, the union winds up owning only parcel No. 3?

Mr. SALINGER. Correct, sir.

Senator McNAMARA. Do you have any idea of a proper evaluation of that piece of property, how much it is worth today?

Mr. SALINGER. No, sir. It has probably increased in value quite a bit since they bought it. They have erected a \$300,000 building on the property.

Senator McNAMARA. They have erected a \$300,000 building on the property?

Mr. SALINGER. Yes, sir.

Senator McNAMARA. Actually, how much money is the union out of pocket in the purchase of this one piece of property? Is that \$1,650 the amount of money they have invested in it?

Mr. SALINGER. No. They have \$35,000 invested in it.

Senator McNAMARA. Of which they have gotten nothing back?

Mr. SALINGER. They originally put up \$33,500.

Senator McNAMARA. According to your testimony, they originally put up \$3,350 and subsequently \$33,500.

Mr. SALINGER. They put up a total of \$33,500 to buy the property originally. When they had sold off all 3 pieces, they had gotten back their \$33,500, plus several hundred dollars. I can tell you exactly, if you want to know. Then they turned around and bought a third of it for \$35,000. So they have \$35,000 tied up in plot No. 3.

Senator McNAMARA. After they had owned it all, within a year—was it within a year?

Mr. SALINGER. Actually, it goes from March 11, 1955, to August 8, 1956. So it is about a year and 4 months.

Senator McNAMARA. Then in the 1 year and 4 months period the union went through the cycle of owning all of the property, all three parcels, and having invested in it less money than they now have in it, in the one piece of property, a third of the original piece?

Mr. SALINGER. That is correct, sir.

Senator McNAMARA. They really went up the hill and down again, didn't they?

According to your statement now they have more than \$35,000 invested in the property, less some few hundred dollars they got back in the ramifications of the deal?

Mr. SALINGER. That is correct, sir.

Senator McNAMARA. So they are probably back somewhere near the \$33,500 originally invested in the whole piece?

Mr. SALINGER. I think it would be closer to that than it would be to \$35,000. I can tell you exactly if you are interested.

Senator McNAMARA. No, that is not necessary. We are talking in round numbers. Then by this dealing of selling and buying back, the union has lost two-thirds of the property that it had for about the same amount of money?

Mr. SALINGER. That is correct, sir.

Senator McNAMARA. The people who profited most out of it are the people who were acting in the name of the union, apparently with some authority by the membership, as you indicate, but their activities are still questioned because there is no evidence that they reported this to the local union.

Mr. SALINGER. That is correct, sir.

Senator McNAMARA. Thank you.

The CHAIRMAN. Are there any further questions?

Senator ERVIN. Mr. Chairman?

The CHAIRMAN. Senator Ervin.

Senator ERVIN. Does Swanson still own the piece of property which formerly belonged to the water commission?

Mr. SALINGER. Yes, sir.

Senator ERVIN. As I understand that transaction, Swanson, as a member of the water commission, participated in proceedings for the sale of that property to the union, and as an officer of the union he participated in the proceedings in which they purchased the property from the water board?

Mr. SALINGER. That is correct.

Senator ERVIN. In other words, he was both assisting in the selling and buying of the same piece of property?

Mr. SALINGER. He was a member of the public utilities commission, which, under the city system controls the water department, and, therefore, acted both for the Government and for the union in the transaction.

Senator ERVIN. And was certainly violating the rule of law that says that no man can be an agent for two conflicting parties, who have conflicting interests. But it turned out later he was agent for himself because he later got the property for himself, for the union?

Mr. SALINGER. The union held it for approximately 18 months and sold it to him.

Senator ERVIN. And he purchased it for the same price that the union had purchased it for, plus taxes that the union paid, and the union lost interest on the money from the time they got it to the time Swanson bought it?

Mr. SALINGER. That is correct, sir.

Senator ERVIN. So in the last transaction, he violated the law of trust that says no man shall purchase property from an organization that he is supposed to represent.

Mr. SALINGER. That is correct, sir.

Senator ERVIN. This is a right interesting set of circumstances. It would look like the officers of this union in one sense acted like the Lord, according to the old hymn, they certainly moved in mysterious ways their wonders to perform.

The CHAIRMAN. Senator Mundt?

Senator MUNDT. I think you said in answer to one of the questions by Senator McNamara, that on parcel No. 3, that it went back and was actually registered in the name of the union?

Mr. SALINGER. Yes, sir.

Senator MUNDT. Did you say earlier that while the union held the property, Marshall Swanson paid the taxes?

Mr. SALINGER. That is the water department land that that happened on. The land that I was just talking to Senator Ervin about, while the union held that land, the Marshall Development Co. paid the taxes and was reimbursed by the union.

Senator MUNDT. What reason did you find out from the union officials or from Swanson given for that type of transaction?

Mr. SALINGER. Again, if I might, Senator, they are going to be here this afternoon, and maybe they can explain it better than I can.

Senator MUNDT. Maybe I can ask questions of them a little more intelligently if you will tell me what reason they gave you.

Mr. SALINGER. The reason I got was that it was done as a matter of convenience.

Senator MUNDT. As a matter of convenience?

Mr. SALINGER. As a matter of convenience to the union.

Senator MUNDT. What way would be more convenient? They all lived there altogether.

Mr. SALINGER. How it was convenient has eluded me.

Senator MUNDT. It has also eluded me. I cannot find out. We will see if we can find out when we talk to them.

(At this point Senator McNamara withdrew from the hearing.)

The CHAIRMAN. Anything further?

Mr. KENNEDY. One thing further. You mentioned the fact that the union built their office building on this third parcel of land.

Mr. SALINGER. Yes, sir.

Mr. KENNEDY. Who built the building for the union?

Mr. SALINGER. The Marshall Development Co.

Mr. KENNEDY. Who owned the Marshall Development Co.?

Mr. SALINGER. Marshall Swanson.

Mr. KENNEDY. What relation is Marshall Swanson to Victor Swanson?

Mr. SALINGER. He is his son.

Mr. KENNEDY. We are going into that company a little later on.

The CHAIRMAN. Thank you very much. Call the next witness.

Mr. KENNEDY. Mr. Pat Clancy.

(Present: Senators McClellan, Goldwater, Ervin, Curtis, and Mundt.)

The CHAIRMAN. You do solemnly swear that the evidence you shall give before this Senate select committee will be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. CLANCY. I do.

TESTIMONY OF PATRICK W. CLANCY

The CHAIRMAN. State your name, your place of residence, and your business or occupation.

Mr. CLANCY. Patrick W. Clancy, 257 Desmond Street, San Francisco.

I am president of the Operating Engineers, local No. 3, San Francisco, Calif.

The CHAIRMAN. How long have you been president of the local, Mr. Clancy?

Mr. CLANCY. Since July 1, 1941.

The CHAIRMAN. Did you hold an official position in that local prior to that time?

Mr. CLANCY. No, sir. That local was amalgamated in 1939, between 1939 and 1941. I didn't hold any official position.

The CHAIRMAN. Have you held any official position in any labor organization prior to becoming president of this local?

Mr. CLANCY. Financial secretary of the San Francisco Local 59 for 1 year, a 1-year period, or a year and a half.

The CHAIRMAN. You I assume are familiar with the rules of the committee. You are entitled to have counsel present while you testify, if you desire, to advise you on your legal rights.

Mr. CLANCY. Yes, sir; I am familiar with that.

The CHAIRMAN. Do you waive counsel?

Mr. CLANCY. I don't need any, I don't believe, Senator.

The CHAIRMAN. Thank you. Mr. Kennedy, you may proceed.

Mr. KENNEDY. You became president in 1941, is that right?

Mr. CLANCY. Right.

Mr. KENNEDY. You presently hold that position?

Mr. CLANCY. Yes.

Mr. KENNEDY. What are the assets of local No. 3?

Mr. CLANCY. The assets?

Mr. KENNEDY. Yes. The total assets.

Mr. CLANCY. I believe around \$3 million.

Mr. KENNEDY. About \$3 million. Approximately \$3 million?

Mr. CLANCY. I would say roughly.

Mr. KENNEDY. You have been elected, have you, to this position?

Mr. CLANCY. Yes, sir.

Mr. KENNEDY. You were elected in 1941?

Mr. CLANCY. Yes, sir.

Mr. KENNEDY. Have you had opposition during this period of time?

Mr. CLANCY. Yes, sir.

Mr. KENNEDY. You have had opposition each time, have you?

Mr. CLANCY. I couldn't say. I believe there was one, one or two—maybe one—term that I run for office that I didn't have opposition. It could have been more than that. I don't remember now.

Mr. KENNEDY. You are president. Do you run the union?

Mr. CLANCY. I am the president of the local.

Mr. KENNEDY. Do you run the union?

Mr. CLANCY. No.

Mr. KENNEDY. Who runs the union?

(At this point Senator McNamara returned to the hearing room.)

(At this point Senator Mundt left the hearing room.)

Mr. CLANCY. Up to a certain time our business manager run it.

Mr. KENNEDY. Who was that?

Mr. CLANCY. Victor S. Swanson.

Mr. KENNEDY. He had complete control over the union?

Mr. CLANCY. Sure.

Mr. KENNEDY. Is that right?

Mr. CLANCY. Sure.

Mr. KENNEDY. Did you object to any of the things he was doing?

Mr. CLANCY. No; not to amount to anything.

Mr. KENNEDY. Why?

Mr. CLANCY. What good would it have done?

Mr. KENNEDY. Well, your position as president, elected by the other members of the union, you had a responsibility to the membership, did you not?

Mr. CLANCY. Yes.

Mr. KENNEDY. You will have to speak up, Mr. Clancy.

Mr. CLANCY. Yes; I did.

Mr. KENNEDY. Did you object to any of the things he was doing, that you felt were wrong?

Mr. CLANCY. Well, among ourselves, I believe I have. That would be different, at various times.

Mr. KENNEDY. Why didn't you object to him?

Mr. CLANCY. What good would it have done?

Mr. KENNEDY. Wasn't the local run democratically, so that you could bring these things to the attention of the membership?

Mr. CLANCY. Yes; you could have brought it to their attention, I believe.

Mr. KENNEDY. Were you afraid of Mr. Swanson?

Mr. CLANCY. Not necessarily afraid.

Mr. KENNEDY. Then why didn't you do something about some of these things you objected to?

Mr. CLANCY. Well, I don't know that it would have done any good.

Mr. KENNEDY. What do you mean it wouldn't have done any good?

Mr. CLANCY. Well, I am only one.

Mr. KENNEDY. Did the other officials object to what Mr. Swanson was doing?

Mr. CLANCY. Occasionally a little.

Mr. KENNEDY. Couldn't you all get together and object and do something about it?

Mr. CLANCY. No.

Mr. KENNEDY. You could not?

Mr. CLANCY. No.

Mr. KENNEDY. Were you all afraid of what Mr. Swanson could do?

Mr. CLANCY. No. They were on the payroll, the same as I was.

Mr. KENNEDY. You felt you would lose your job if you objected, is that right?

Mr. CLANCY. What would you think?

Mr. KENNEDY. You tell me, Mr. Clancy.

Mr. CLANCY. Yes; I would.

Mr. KENNEDY. That was the reason you didn't object; you felt that you would lose your job?

Mr. CLANCY. Well, you are all alone, and the rest of them.

Mr. KENNEDY. You all felt you would lose your jobs if you objected to Mr. Swanson?

Mr. CLANCY. I presume so, yes.

Mr. KENNEDY. Then that was your personal reason for not objecting?

Mr. CLANCY. One of them.

Mr. KENNEDY. You didn't want to lose the job as president of the local, is that right?

Mr. CLANCY. One of them.

Mr. KENNEDY. Is that right?

Mr. CLANCY. Yes.

Mr. KENNEDY. What are the other reasons? Or was that the only reason?

Mr. CLANCY. Well, I guess that was probably the one.

Mr. KENNEDY. You wanted to make sure that you kept your job?

Mr. CLANCY. Well, I have to run for office.

Mr. KENNEDY. Is he the one that decides whether you are going to be elected or not?

Mr. CLANCY. Well, when he has 45 or 50 agents working in the field, he probably has quite a bit to say about it.

Mr. KENNEDY. What do you mean by 45 or 50 agents?

Mr. CLANCY. Business agents working in the field.

Mr. KENNEDY. Did he have control over those business agents?

Mr. CLANCY. Brother, he hired and fired them, so I guess he must have.

Mr. KENNEDY. He is the one that hired the business agents?

Mr. CLANCY. Right.

Mr. KENNEDY. And they worked in the various sections?

Mr. CLANCY. Right.

Mr. KENNEDY. And you say that it was up to them to determine who was going to be elected to the various positions, is that right? Is that right, Mr. Clancy?

Mr. CLANCY. I presume so.

Mr. KENNEDY. And he is the one that appointed them, and therefore he could control who were going to be the officials of the local, is that right?

Mr. CLANCY. It could be.

Mr. KENNEDY. Isn't it true?

Senator CURTIS. Who hires and fires Mr. Swanson?

Mr. CLANCY. The membership.

Senator CURTIS. The membership?

Mr. CLANCY. Yes. Or they did. Let's put it that way.

Senator CURTIS. When did they first do it?

Mr. CLANCY. 1941.

Senator CURTIS. Where was the meeting held?

Mr. CLANCY. Which meeting? I don't understand.

Senator CURTIS. At which they hired him.

Mr. CLANCY. They nominated him. He was elected. They hired him through an election. They elected him.

Senator CURTIS. Where was that election held?

Mr. CLANCY. It was a referendum vote sent out to the membership.

Senator CURTIS. How many voted?

Mr. CLANCY. I don't remember, sir. That was in 1941. I don't remember now.

Senator CURTIS. Ninety percent, do you think, of the 24,000 members?

Mr. CLANCY. I have no idea, sir. I couldn't tell you.

Senator CURTIS. You have no idea?

Mr. CLANCY. Not now, no, I don't. I didn't bring any figures with me.

Senator CURTIS. That is all.

Mr. KENNEDY. Therefore, as I understand your explanation, Mr. Swanson would be the one to decide who were going to be the officers of the local; is that right?

Mr. CLANCY. He could; yes.

Mr. KENNEDY. Just answer the question.

Mr. CLANCY. Yes.

Mr. KENNEDY. Was he the one who decided who were going to be the officers of the local?

Mr. CLANCY. Yes.

Mr. KENNEDY. Do you understand this is the biggest local of any union in the country?

Mr. CLANCY. Of any union?

Mr. KENNEDY. Yes.

Mr. CLANCY. Of the Operating Engineers.

Mr. KENNEDY. Of any union. Do you know any local union in the country which is larger than your union?

Senator McNAMARA. Let me help you out, Mr. Kennedy.

Local No. 600 of the UAW, the Ford local, is at least twice as big as this, and maybe much larger. So this is not the largest one in the country. I think our record ought to be corrected.

Mr. KENNEDY. I am trying to find out from the witness.

Mr. CLANCY. I believe the counsel means the largest local of the International Union of Operating Engineers.

Mr. KENNEDY. Is it the largest local of the Operating Engineers?

Mr. CLANCY. Right.

Mr. KENNEDY. Evidently, it is not the largest local in the country.

Mr. CLANCY. I could not answer that. I do not know the size of the various locals.

Mr. KENNEDY. Did you feel that if you objected to any of the suggestions or recommendations or the activities of Mr. Swanson, that you would lose your position as president?

Mr. CLANCY. I was also a hired business representative.

Mr. KENNEDY. Did you feel that you would lose your position as president, and as a hired business representative?

Mr. CLANCY. As a hired business representative.

Mr. KENNEDY. And that he could cause you to lose the election, if you ran for office?

Mr. CLANCY. If I wasn't a hired business representative in the field, how could I campaign and be elected?

Mr. KENNEDY. That is fine.

Could you answer the question? He would be the one that determined it, if you objected to what he was doing, is that right?

Mr. CLANCY. Right.

Mr. KENNEDY. I wanted to ask you specifically about this land transaction that occurred down in Stockton.

Are you aware of the fact that the union was purchasing some land in Stockton?

Mr. CLANCY. I heard about it.

Mr. KENNEDY. Excuse me?

Mr. CLANCY. Yes.

Mr. KENNEDY. And that land was purchased for \$33,500?

Mr. CLANCY. I believe so, yes.

Mr. KENNEDY. \$33,500?

Mr. CLANCY. Yes.

Mr. KENNEDY. Were you aware of the fact that the land actually only cost \$28,500?

Mr. CLANCY. No, sir.

Mr. KENNEDY. You never were aware of that?

Mr. CLANCY. No, sir.

Mr. KENNEDY. That was never brought to your attention?

Mr. CLANCY. No, sir.

I first heard of that in, I think it was June of 1957, in the city of Washington, D. C.

Mr. KENNEDY. But up until that time you were not aware of it yourself?

Mr. CLANCY. I was not, sir.

Mr. KENNEDY. Then you did not receive any money from this \$4,000 that went to Mr. Doran?

Mr. CLANCY. No, sir.

Mr. KENNEDY. You did not even know that he received the \$4,000?

Mr. CLANCY. No, sir.

Mr. KENNEDY. Subsequently this land was sold at various times. Parcel No. 1 was sold by the union for \$8,500, and there was a hidden profit of \$9,884. Were you aware of that?

Mr. CLANCY. No, sir.

Mr. KENNEDY. You thought that the land, this parcel No. 1 was actually sold, and that all the money that the union could get for it was this \$8,500; is that right?

Mr. CLANCY. Well, I never heard anything to the contrary. That was it.

Mr. KENNEDY. It was never discussed with you?

Mr. CLANCY. No.

Mr. KENNEDY. It was not?

Mr. CLANCY. No.

Mr. KENNEDY. You didn't know that this extra money was going to Mr. Doran?

Mr. CLANCY. No, sir.

Mr. KENNEDY. And none of it went to you?

Mr. CLANCY. No, sir.

Mr. KENNEDY. Mr. Swanson never mentioned it to you?

Mr. CLANCY. No, sir.

Mr. KENNEDY. On parcel No. 2, it was supposed to have been sold by the union for \$10,858, and there was a hidden profit of some \$12,071. Did you know anything about that?

Mr. CLANCY. No, sir.

Mr. KENNEDY. You never heard about it?

Mr. CLANCY. No, sir.

Mr. KENNEDY. You were never aware of the fact that there was this hidden profit in this transaction?

Mr. CLANCY. No, sir.

Mr. KENNEDY. Mr. Swanson never discussed it with you?

Mr. CLANCY. No, sir.

Mr. KENNEDY. And Mr. Doran never discussed it with you?

Mr. CLANCY. No, sir.

The CHAIRMAN. When did you first find out about it? In June of 1957 in the city of Washington, D. C.?

Mr. CLANCY. That is right.

(At this point Senator Goldwater left the hearing room.)

The CHAIRMAN. That is after this investigation was started, I believe.

Mr. CLANCY. The international auditor for the Operating Engineers turned it up. I guess you would call it that.

Senator CURTIS. Mr. Chairman?

The CHAIRMAN. Senator Curtis.

Senator CURTIS. Mr. Clancy, did you sign any deeds in the sale of any of these parcels of land?

Mr. CLANCY. To my knowledge I signed one.

Senator CURTIS. Where were you when you signed that?

Mr. CLANCY. In the office, the secretary's office, our secretary in San Francisco.

Senator CURTIS. Were you present when any money was paid to the union for that parcel?

Mr. CLANCY. Not that I recall, no.

Senator CURTIS. Who else was present when you signed this deed?

Mr. CLANCY. When I signed the deed?

Senator CURTIS. Yes.

Mr. CLANCY. The secretary would be all, I think. I couldn't say now. I don't remember. But I think that would be all.

Senator CURTIS. Did you know who the deed was made to?

Mr. CLANCY. I don't believe so. I don't believe I paid too much attention to it. I don't think so. I don't believe I did.

Senator CURTIS. You had no idea that Mr. Swanson was making any profit out of this transaction?

Mr. CLANCY. No, sir; none whatsoever.

Senator CURTIS. Do you know what Swanson's salary is from the union?

Mr. CLANCY. For the local union I did at that time, yes.

Senator CURTIS. How much was it?

Mr. CLANCY. Twenty percent above what we got.

Senator CURTIS. How much was that?

Mr. CLANCY. It would run in the neighborhood of about \$1,000 a month. I would say roughly that.

Senator CURTIS. How well acquainted were you with Mr. Swanson? Were you ever in his home?

Mr. CLANCY. Years back, yes. Not in late years.

Senator CURTIS. Did you ever observe his spending habits?

Mr. CLANCY. I don't just exactly get what you mean.

Senator CURTIS. Did you ever notice anything that indicated that he spent more money than his salary in the union amounted to?

Mr. CLANCY. No; I don't think so. I didn't pay no attention to it. I wasn't traveling around with him too much.

Senator CURTIS. You thought everything was all right?

Mr. CLANCY. As far as I knew, it was.

Senator CURTIS. That is all.

Mr. KENNEDY. Did you approve of the sale of these plots of property, these parcels of land?

Did you approve, for instance, of selling parcel No. 1 that we discussed?

Mr. CLANCY. Well, yes. They would come in and say they were going to sell a piece of property, and "O. K., sell it."

Mr. KENNEDY. Who told you that they would sell it?

Mr. CLANCY. Probably Swanson, I suppose.

Mr. KENNEDY. Who did tell you?

Mr. CLANCY. Swanson.

Mr. KENNEDY. He came in and said they were going to sell parcel No. 1. Is that right?

Mr. CLANCY. Well, I don't remember exactly if he came in and said "I am going to sell parcel No. 1."

Mr. KENNEDY. Did you discuss with the membership about selling this parcel of property?

Mr. CLANCY. Not that I know of.

Mr. KENNEDY. Did you? You were president of the local.

Mr. CLANCY. No.

Mr. KENNEDY. Why didn't you discuss it with the membership?

Mr. CLANCY. Where would that have taken place?

Mr. KENNEDY. Don't you have membership meetings?

Mr. CLANCY. Yes; once a month. We used to.

Mr. KENNEDY. Could you discuss with the membership the disposing of land or property?

Mr. CLANCY. If it was brought on the floor.

Mr. KENNEDY. What?

Mr. CLANCY. If it was brought on the floor.

Mr. KENNEDY. Isn't the membership supposed to know when you sell property which belongs to the union?

Mr. CLANCY. That is up to the manager to notify them. I am only the president.

Mr. KENNEDY. You are only the president, so you felt you had no responsibility for telling them?

Mr. CLANCY. Well, I didn't at that time.

Mr. KENNEDY. You didn't what?

Mr. CLANCY. I didn't take any. That was his job. He was the manager.

Mr. KENNEDY. Not as president, you didn't have that responsibility as president of the local?

Mr. CLANCY. No.

Mr. KENNEDY. All right. We have the same situation in parcel No. 2—

The CHAIRMAN. Let me ask you this question. What is a president, then, in your position, just a figurehead? And you had no responsibility?

Mr. CLANCY. No, sir. The president conducted the meeting 2 hours a night once a month on the first Saturday of the month. That was his duties.

The CHAIRMAN. He would just sit there as chairman?

Mr. CLANCY. Right. That was his duties.

The CHAIRMAN. He had no other duties as president?

Mr. CLANCY. No.

The CHAIRMAN. Nothing about looking after the finances of the union?

Mr. CLANCY. No, sir.

The CHAIRMAN. To see that the union was operated honestly, he had no responsibility in that connection?

Mr. CLANCY. No.

Senator CURTIS. If you didn't have any power as president, how much power did the members have over the affairs of their own union?

Mr. CLANCY. Well, they had powers in the meetings.

Senator CURTIS. How many would attend?

Mr. CLANCY. It varied.

Senator CURTIS. How many?

Mr. CLANCY. Well, from 150 up to, I would say maybe 1,000, 900, or 1,000.

Senator CURTIS. Did you ever have any meetings of less than 150?

Mr. CLANCY. Possibly.

Senator CURTIS. Well, did you?

Mr. CLANCY. I don't remember. I never counted them, sir, in every meeting.

Senator CURTIS. But such matters as the sale of real estate were not brought up unless the business manager chose to bring them up; is that correct?

Mr. CLANCY. I presume so. Yes.

Senator CURTIS. And the business manager determined who would be officers of the union?

Mr. CLANCY. Practically.

The CHAIRMAN. Let me ask you this: Did you have an executive committee, a board, or anything to pass upon these transactions?

Mr. CLANCY. Yes, sir.

The CHAIRMAN. Who?

Mr. CLANCY. There were 11 members and then the board was raised to 13.

The CHAIRMAN. Did they authorize the sale of this property?

Mr. CLANCY. I don't remember, sir, whether they did or not.

The CHAIRMAN. Wouldn't you want to know that as president before you would sign a deed to it, if that was their responsibility?

Mr. CLANCY. Well, the manager had the power to purchase it, to go buy the property.

The CHAIRMAN. Did he get authorization from the union members to purchase the property?

Mr. CLANCY. I believe there was a resolution at one time back some time ago.

The CHAIRMAN. That was a blanket resolution to purchase property in certain areas where you might want to construct a building?

Mr. CLANCY. It gave him the power to purchase.

The CHAIRMAN. Did it give him the power to sell it at his pleasure?

Mr. CLANCY. That I don't know, sir.

The CHAIRMAN. Don't you know that it did not?

Mr. CLANCY. I do not, sir.

The CHAIRMAN. When did this local become a one-man dominated operated union? It seems this man Swanson told all of you what to do and what not to do. When did it become such a union?

Mr. CLANCY. Probably July 1, 1941.

The CHAIRMAN. And it has been that ever since?

Mr. CLANCY. It looks like it.

The CHAIRMAN. Yes, it does.

Senator McNAMARA. Mr. Chairman?

The CHAIRMAN. Senator McNamara.

Senator McNAMARA. I am interested in your role as president of this local union, since there has been some discussion about it.

Were you paid for being president of the local union?

Mr. CLANCY. Let me put it this way, sir: If I wasn't on the payroll as a business agent, my salary as an officer or president was \$50 a month.

Senator McNAMARA. \$50 a month salary?

Mr. CLANCY. Right. I believe that is what it was.

Senator McNAMARA. Then the salary you received as president of the local union was apparently incidental to your way of making a living?

Mr. CLANCY. That is right.

Senator McNAMARA. Were the duties of the president spelled out in your constitution and bylaws?

Mr. CLANCY. Well, yes. I conducted the meetings.

Senator McNAMARA. But if you were not a "business agent," appointed by the "business manager"—am I using the correct terms?

Mr. CLANCY. That is correct, sir.

Senator McNAMARA. Then you would have received \$50 a month for acting as chairman of the meeting?

Mr. CLANCY. Right.

Senator McNAMARA. And the general affairs of the union were in the hands of whom? Would it be the secretary-treasurer who would be in charge of the business affairs of the union?

Mr. CLANCY. The general manager.

Senator McNAMARA. The business manager?

Mr. CLANCY. Right.

Senator McNAMARA. The business manager and secretary-treasurer are two separate individuals?

Mr. CLANCY. Yes.

Senator McNAMARA. Jointly, then, they would be in charge of the affairs of the organization, is that the way it would be? I mean the business affairs of the union?

Mr. CLANCY. They would be in the hands of the manager.

Senator McNAMARA. Not the secretary-treasurer?

Mr. CLANCY. No. He is just working there, too.

Senator McNAMARA. He would just have to report the financial transactions and keep track of them, is that the way you analyze it?

Mr. CLANCY. That is right.

Senator McNAMARA. So this man was really all powerful, and it was your job, except as appointed by him, was rather incidental, and just to be the presiding officer at the meetings?

Mr. CLANCY. Right.

Senator McNAMARA. In the American Federation of Labor unions that you have had experience with, isn't this rather a general pattern of unions, rather than the exception, that the president is just the chairman of the meetings?

Mr. CLANCY. I couldn't say, sir. I don't know.

Senator McNAMARA. I mean you have had experience and you have been in the business a long while, haven't you?

Mr. CLANCY. Yes.

Senator McNAMARA. You have gone to conventions and associated with other trade unionists?

Mr. CLANCY. Yes.

Senator McNAMARA. Don't you believe this is the general pattern in the A. F. of L. setup?

Mr. CLANCY. In some cases it is possible.

Senator McNAMARA. You don't know?

Mr. CLANCY. Not in all cases I don't; no, sir.

The CHAIRMAN. Senator Curtis.

Senator CURTIS. You referred to this executive committee of 13 or 12 members. Who selects them?

Mr. CLANCY. They are elected by the membership.

Senator CURTIS. When were they elected?

Mr. CLANCY. Well, they started in 1941 and they are elected every term of office, the same.

Senator CURTIS. How many of them are business agents?

Mr. CLANCY. All of them.

Senator CURTIS. All of them.

As to who is to be a business agent depends upon Mr. Swanson; is that right?

Mr. CLANCY. I told you, sir, he hires and fires the employees.

Senator CURTIS. So then he has an executive committee made up of business agents under him that he can hire and fire; is that correct? I am speaking of the executive committee.

Mr. CLANCY. He can hire and fire the business agents who happen to be members of the executive board.

Senator CURTIS. Who happen to be?

Mr. CLANCY. Who are.

Senator CURTIS. In the chairman's opening statement, it says:

The operating engineers is one of those unions which has all the characteristics of an exclusive club. In other words, it is imperative for a member to maintain his membership in order to keep his job.

How did that operate? How is it imperative for a member to maintain his membership in order to keep his job?

Mr. CLANCY. I couldn't answer, sir; I don't know. I couldn't tell you.

Senator CURTIS. But you knew it was true?

Mr. CLANCY. What?

Senator CURTIS. That one of these workers, a member of this union, it is imperative for him to maintain his membership in order to keep his job; is that true?

Mr. CLANCY. No; not necessarily. I have seen nonunion men working, operating, members of other locals.

Senator CURTIS. Then that statement is not correct?

Mr. CLANCY. No. Not where we work, anyway.

Senator CURTIS. I am certainly in an embarrassing situation here. I did not proceed to question the statement of our chairman, but I was inquiring as to how it operated.

The CHAIRMAN. Senator, it is not embarrassing. Let's get the facts.

Do you know anybody that can work on one of these construction jobs where it is a union job without paying dues?

Mr. CLANCY. I have seen a number of them, Senator.

The CHAIRMAN. Then I am in error if I made an erroneous statement.

Mr. CLANCY. The trouble, I believe—

The CHAIRMAN. What do you do, give them a permit to work, and they pay for that, and yet they do not become members; is that what you mean?

Mr. CLANCY. No; not necessarily, sir.

The CHAIRMAN. Not necessarily, but that is the practice, isn't it?

Mr. CLANCY. Sometimes. It all depends, Your Honor.

The CHAIRMAN. Where you want to keep your membership down, for special reasons you grant him a permit to work on a special job and charge for it; is that correct?

Mr. CLANCY. Senator, we would not have started from 172 members, when I joined this local, to 22,000 if we had kept out the men that wanted to join the organization.

The CHAIRMAN. Well, I think that is true. You have grown and grown considerably, but we have had testimony before us here in some instances—and maybe your union does not work that way—where men could not join the union, but they were given a permit to work for which they paid so much a week.

Yet they did not become members, and they had no voice in the union, but they paid to the union in order to be permitted to work.

Mr. CLANCY. Sometimes, sir, I have had men that wanted to remain a member of their local, and they liked their local in some other part of the country, and they would rather have come in and worked on a permit than to transfer their membership to our organization.

The CHAIRMAN. And some were not members at all and had to pay, and they were not members of any union and they had to pay to get the privilege of working without becoming members. Do you know of that, too?

Mr. CLANCY. They can become members, sir.

The CHAIRMAN. I understand, but they have to pay to work.

Mr. CLANCY. They don't have to, sir.

The CHAIRMAN. They do not work if they do not.

Mr. CLANCY. I beg your pardon, sir, but they do.

The CHAIRMAN. You and I do not fully agree on it, but you give your testimony and you are certainly more familiar with it than I am.

Mr. CLANCY. I doubt that, sir.

The CHAIRMAN. What is that?

Mr. CLANCY. I doubt whether I am more familiar with it than you are.

Senator CURTIS. Mr. Chairman, were you through?

The CHAIRMAN. Yes.

Senator CURTIS. You spoke of the growth of this local. When was it that you only had 172 members?

Mr. CLANCY. I believe it was in the old local in San Francisco in 1932 or 1933. I forget which, sir. There were 172 or 174, and I am not sure exactly the numbers, but it was awfully small.

Senator CURTIS. By what method have you expanded so rapidly?

Mr. CLANCY. Everybody wants to come and live in California, sir, and we have lots of work there, fortunately.

Senator CURTIS. But how did you expand your membership among those Californians so rapidly?

Mr. CLANCY. There has been fortunately a lot of work, as you all know, there in the State of California. Our State has been growing from just a small population to a huge population as you people all know.

Senator CURTIS. What I am trying to get at is this: What was the reason that all of these people working belonged to your union?

Mr. CLANCY. They joined like any other good American citizen, the working man. They joined to better their hours and working conditions, which they have done in the State of California. I beg your pardon, Senator.

Senator CURTIS. The expansion has been by argument and persuasion then with the members that joined.

Mr. CLANCY. As a rule you don't have to argue with a man to join an organization.

Senator CURTIS. Were some of them put into the union by contacting the employer?

Mr. CLANCY. Not to my knowledge.

Senator CURTIS. Not to your knowledge?

Mr. CLANCY. No.

Senator CURTIS. That is all, Mr. Chairman.

The CHAIRMAN. Proceed.

Mr. KENNEDY. As far as your position in the union, as well as being the chairman at these meetings, you also signed the vouchers, did you?

Mr. CLANCY. Where there are vouchers, yes, sir.

Mr. KENNEDY. Where there are vouchers?

Mr. CLANCY. Yes, sir.

Mr. KENNEDY. That is another one of your positions in the union?

Mr. CLANCY. Yes; I sign them.

Mr. KENNEDY. Now just going back to this second land transaction, plot No. 2, there was a profit in that transaction of \$12,071. Did you get any money out of that?

Mr. CLANCY. No, sir.

Mr. KENNEDY. You never knew that there was any money that came out of it?

Mr. CLANCY. No, sir.

Mr. KENNEDY. You never knew anything about it?

Mr. CLANCY. No, sir.

Mr. KENNEDY. You are sure of that?

Mr. CLANCY. I am absolutely sure of it.

Mr. KENNEDY. You never knew that Swanson and Doran were getting any money out of that?

Mr. CLANCY. No, sir.

Mr. KENNEDY. You never got any out of it yourself?

Mr. CLANCY. No, sir.

Mr. KENNEDY. You do not want to change your mind on that, Mr. Clancy?

Mr. CLANCY. No, sir; I don't want to change my mind on it.

Senator McNAMARA. While they are searching their records, do you remember endorsing any checks involved in this transaction or these transactions at all?

Mr. CLANCY. I never did.

Senator McNAMARA. As president of the union you would have no occasion to endorse the checks in the transaction?

Mr. CLANCY. No, sir.

Senator McNAMARA. Was your signature required on checks that were paid out?

Mr. CLANCY. No, sir.

Senator McNAMARA. Whose signatures were required on checks that the union used in the transaction of ordinary business?

Mr. CLANCY. The secretary, treasurer, and the business manager.

Senator McNAMARA. It required three?

Mr. CLANCY. Yes, sir.

Senator McNAMARA. I hand you a photostatic copy of a check dated July 13, 1955, and the check No. 5575 and it is a cashier's check payable to the order of Pat Clancy, on the American Trust Co., of San Francisco, Calif., and I ask you to examine it and state if you identify it.

(A document was handed to the witness.)

(The members present are: Senators McClellan, McNamara, Ervin and Curtis.)

Mr. CLANCY. Yes.

The CHAIRMAN. Do you recognize the check?

Mr. CLANCY. Yes, sir.

The CHAIRMAN. That check may be made exhibit No. 17.

(Document referred to was marked "Exhibit 17" for reference and will be found in the appendix on p. 7856.)

Senator McNAMARA. What is the amount of the check?

The CHAIRMAN. \$800. Is that amount correct?

Mr. CLANCY. That is right.

The CHAIRMAN. It is \$800. Mr. Clancy, did you receive that check?

Mr. CLANCY. Yes, sir.

The CHAIRMAN. Did you endorse it?

Mr. CLANCY. Yes, sir.

The CHAIRMAN. Is that your signature on it?

Mr. CLANCY. Yes, sir.

The CHAIRMAN. All right, Mr. Counsel, you may proceed.

Mr. KENNEDY. What services did you perform for this check?

Mr. CLANCY. That check is part of a loan of \$1,000 from Victor Swanson, and my records will so show. I received \$200 in cash and I received \$800, and that is the check right there.

Mr. KENNEDY. When did you loan Victor Swanson the money?

Mr. CLANCY. He loaned me the money and I still owe it to him.

Mr. KENNEDY. He loaned you the money, and this \$800?

Mr. CLANCY. Yes, sir; he loaned me \$1,000, sir.

Mr. KENNEDY. He loaned you \$1,000?

Mr. CLANCY. That is right. It was \$200 in cash, and the check.

Mr. KENNEDY. You gave him a note for that?

Mr. CLANCY. He has it; yes, sir.

Mr. KENNEDY. And you give it to him?

Mr. CLANCY. Wait a minute, it wasn't a note. It is just an I O U.

Mr. KENNEDY. An I O U and you gave it to him at this time for \$1,000?

Mr. CLANCY. Within a day or so, or maybe at that time.

Mr. KENNEDY. And what do your records show?

Mr. CLANCY. My records show why I got it, and who I gave it to.

Mr. KENNEDY. What did you do with this \$1,000?

Mr. CLANCY. I cash it, or cashed the check, and I paid to a man that was doing some work for me, nine-hundred-and-some-odd dollars out of the \$1,000 which I needed at that time very badly, as my records will show.

Mr. KENNEDY. Who was the man that you paid it to?

Mr. CLANCY. C. C. Smith.

Mr. KENNEDY. And that work was going on at that time?

Mr. CLANCY. Work was going on at that time.

Mr. KENNEDY. And you had to borrow the \$1,000 from Mr. Swanson?

Mr. CLANCY. Yes, sir; and you will find, if I may, Your Honor, that on the 1st of May I borrowed from a California bank \$10,000, and I used it up right in there and this guy was on my neck because I owed him some money.

Mr. KENNEDY. And you borrowed this \$1,000 from Mr. Victor Swanson?

Mr. CLANCY. That is correct.

Mr. KENNEDY. And during this period of time you were objecting to how he was running the union, and the way he was handling the financial transactions?

Mr. CLANCY. I wasn't objecting to it.

Mr. KENNEDY. I thought according to your testimony you did not like it.

Mr. CLANCY. He was doing it.

Mr. KENNEDY. And you disapproved of it, did you not?

Mr. CLANCY. After a fashion.

Mr. KENNEDY. You testified here that you disapproved of it, and you had to go along with it. You went to him to borrow the \$1,000?

Mr. CLANCY. We are working all together, right there.

Mr. KENNEDY. Did you borrow any other money from him?

Mr. CLANCY. No.

Mr. KENNEDY. This is the only transaction?

Mr. CLANCY. That is all I owed him then, and at various times maybe a few dollars now and then.

Mr. KENNEDY. Did you know about the \$12,071 of the hidden profit on parcel No. 2, that that profit was used to buy this cashier's check, in part?

Mr. CLANCY. I did not.

Mr. KENNEDY. You did not?

Mr. CLANCY. No, sir.

Mr. KENNEDY. And that \$800 then was made payable to you, as a cashier's check, and this \$800 came out of that \$12,000 of hidden profit?

Mr. CLANCY. I did not know that; no, sir.

Mr. KENNEDY. It is just a coincidence, and you just happened to go to Mr. Swanson and get \$1,000 loan; is that right?

Mr. CLANCY. No; I asked him for some money, and at that time we had a pension fund in, that I believe they have found, where we drew it out, and I was going to ask him permission to draw from that pension fund because I needed the money. But rather than draw from it, he said, "Well, we will see if we are going to hold that pension fund intact, and don't draw it." And so I borrowed \$200 then, and he said, "I will get you the balance," and he handed me a check.

Now, I wondered then why the check and why I didn't get cash, because he had to go to the bank for it and he didn't have enough money there.

Mr. KENNEDY. You wondered what?

Mr. CLANCY. I wondered then why he had to go to the bank, and he didn't have money enough in his office, in the safe in his office, and so when he came back from the bank, and the next time I saw him, maybe an hour or so later, he handed me the check.

Mr. KENNEDY. Why didn't you just get a regular check?

Mr. CLANCY. Why he didn't, I don't know.

Mr. KENNEDY. Why, instead of a cashier's check?

Mr. CLANCY. I didn't get the cashier's check. He got it.

Mr. KENNEDY. But the cashier's check was turned over to you, and why did you receive a cashier's check?

Mr. CLANCY. Because he gave me that for the \$800.

Mr. KENNEDY. Did you raise any question about it at that time?

Mr. CLANCY. No.

Mr. KENNEDY. Why wasn't just a regular check for \$800 turned over to you?

Mr. CLANCY. That I can't answer, sir.

Mr. KENNEDY. Why didn't you go to a bank and get the loan?

Mr. CLANCY. Well, if your man Gordon will get ahold of Mr. Smith, he will find that right approximately at that time I was in the American Trust Bank on the corner and talking with the manager there regarding a loan, that I needed some money, but I did not want to throw a plaster on my home just over a little bit that I needed, \$1,000 at that time.

Mr. KENNEDY. You did not what?

Mr. CLANCY. I did not want to throw a plaster on my home.

Mr. KENNEDY. So you decided to go to Mr. Victor Swanson, of whom you disapproved, and get \$1,000?

Mr. CLANCY. I just asked him for a loan.

Mr. KENNEDY. And during this period of time, you had raised questions with your fellow officials about financial transactions involving union money, had you not?

Mr. CLANCY. We talked about it, I believe, occasionally.

Mr. KENNEDY. But you went to the same man to get the \$1,000?

Mr. CLANCY. Well, I went first to take my money, that was out of the pension fund, and I told you about that.

Mr. KENNEDY. After that you went to Mr. Swanson?

Mr. CLANCY. That is where I went originally.

Mr. KENNEDY. But after that you got the money from Mr. Swanson? Would you answer the question?

Mr. CLANCY. After it was decided not to take it out of the pension fund.

Mr. KENNEDY. Now, in this third transaction, lot No. 3 was sold to Mr. Doran and Mr. Swanson, did you approve of that?

Mr. CLANCY. I don't ever remember selling a piece of property to Mr. Doran and Mr. Swanson.

Mr. KENNEDY. You do not?

Mr. CLANCY. No.

Mr. KENNEDY. Did you sign any of the papers in connection with the sale of that property?

Mr. CLANCY. I could not tell you. There was a deed signed before a notary public one day, in the city of Stockton, and I was in a meeting in San Francisco with the contractors. So I don't know whether I could have been in Stockton at that time, and in San Francisco at the same time.

The records show I was in San Francisco in a meeting.

The CHAIRMAN. I hand you here exhibit No. 11 to testimony already given. It is a document that appears to be dated February 14, 1956. The title of it is "Warranty Deed."

The original date on it, or another date on it, is February 9, 1956. I imagine that is the date the deed was actually dated, and the other appears maybe to be the recording, recorded on February 14. The deed actually is dated February 9.

I will ask you to examine it and state if that is a photostatic copy of the deed and if you signed the deed?

(At this point a document was handed to the witness.)

Mr. CLANCY. That looks like my signature on it, Senator, but I never remember signing it.

The CHAIRMAN. You do not remember signing it?

Mr. CLANCY. No, sir, and I never remember signing any deed with V. S. Swanson and Ed Doran on it, never, and I never remembered it.

The CHAIRMAN. Do you say now that that is your signature?

Mr. CLANCY. I could not say. I would have to have a handwriting expert look that over to tell me whether that was my signature or not.

The CHAIRMAN. It is your name, and it is spelled correctly, and written correctly, irrespective of who wrote it. Is that correct?

Mr. CLANCY. It looks like it; yes, sir.

The CHAIRMAN. And it is signed in the capacity of what, with respect to the union?

Mr. CLANCY. President.

The CHAIRMAN. As president of the union?

Mr. CLANCY. Yes, sir.

The CHAIRMAN. It is either your signature or someone forged your name?

Mr. CLANCY. One or the other.

The CHAIRMAN. Did you authorize anyone to sign it?

Mr. CLANCY. No, sir.

The CHAIRMAN. You authorized no one to sign it?

Mr. CLANCY. No, sir.

The CHAIRMAN. So that is either your signature or it is a forgery?

Mr. CLANCY. Yes, sir.

The CHAIRMAN. And if it is your signature, then you participated in the transaction?

Mr. CLANCY. There is another thing, sir.

The CHAIRMAN. Yes, sir.

Mr. CLANCY. I have never to my knowledge signed any deed granting V. S. Swanson and Ed Doran anything, period.

The CHAIRMAN. To your knowledge. But if that is your signature, then your knowledge has failed you?

Mr. CLANCY. No, if that is my signature, then maybe the name of Doran and Swanson could have been filled in afterward.

The CHAIRMAN. Did you ever sign any in blank, so that it could be handled that way?

Mr. CLANCY. That is very possible.

The CHAIRMAN. Why would that be possible, that you would sign a deed in blank?

Mr. CLANCY. Well, if they were handed to me, I might have signed it. And we were not handling the business, handling the real estate. They were.

The CHAIRMAN. So if Swanson had handed you a deed in blank, you would have just signed it?

Mr. CLANCY. I might as well have.

The CHAIRMAN. You might as well have?

Mr. CLANCY. Yes, sir.

The CHAIRMAN. So if he handed you one with his own name on it, you would have signed it also?

Mr. CLANCY. I am afraid not.

The CHAIRMAN. You are afraid not?

Mr. CLANCY. No.

The CHAIRMAN. Why wouldn't you?

Mr. CLANCY. I have never signed one with his name on it.

The CHAIRMAN. Did you ever sign any in blank?

Mr. CLANCY. That I don't remember, too.

The CHAIRMAN. You don't remember having done so?

Mr. CLANCY. No, sir.

The CHAIRMAN. Do you want this signature tested to find out whether it is yours or not?

Mr. CLANCY. That is right.

The CHAIRMAN. All right, Mr. Counsel, submit it to the FBI, and let us have some expert look at it.

Senator CURTIS. On this exhibit which you have looked at, and said it looks like your signature, a notary public, George Munsel has attached his seal and his signature to this certificate, State of and city and county of, that isn't filled in.

On the 9th day of February 1956, before me, George Munsel, a notary public in and for the city and State, personally appeared Pat Clancy, known to me to be the president, and C. F. Matthews, known to me to be the union secretary of a corporation, and executed the within instrumentality, and known to me to be the persons who executed it, the within instrumentality on behalf of the corporation therein named, and acknowledged to me that such corporation executed the same pursuant to its bylaws or resolution of its board of directors.

It is signed by the notary public.

Now, did you appear before George W. Munsel, notary public, and acknowledge this deed?

Mr. CLANCY. I don't remember to have, no sir, and I don't remember.

Senator CURTIS. Do you know the notary?

Mr. CLANCY. Yes, sir, I know him.

The CHAIRMAN. How well?

Senator CURTIS. Where is his office?

Mr. CLANCY. He is downstairs in our building, in the teamsters' building, in the teamsters' office downstairs.

Senator CURTIS. Is he connected with your union?

Mr. CLANCY. No.

Senator CURTIS. How long have you known him?

Mr. CLANCY. I don't know, I could not say. He works in the office down there, and I see him occasionally, and I am not personally acquainted with him, real well acquainted with him. I know him.

Senator CURTIS. Does he have a good reputation?

Mr. CLANCY. I could not tell you that, and I don't know.

Senator CURTIS. Do you think that he would certify that you were present and acknowledged this deed if you were not?

Mr. CLANCY. I can't answer that, sir. I don't know.

The CHAIRMAN. Do you think that he did?

Mr. CLANCY. I don't know that.

Mr. KENNEDY. The signatures are identical with the other signatures Mr. Clancy has already identified.

The CHAIRMAN. We can all have a layman's opinion about it, and I am perfectly satisfied, but for the record if he says he can't remember I would like to have it submitted to some recognized authority, the FBI or someone, and let them give us a statement about it for the record.

That is unless you want to acknowledge it is your signature and tell us about the rest of the transaction?

Mr. CLANCY. That is all I can say about it. I don't know any more about the transaction, and you have it there.

The CHAIRMAN. All right.

Proceed, Mr. Counsel.

Mr. KENNEDY. Are you aware of the fact that the union sold this third parcel of property?

Mr. CLANCY. Yes, sir.

Mr. KENNEDY. Were you aware at the time?

Mr. CLANCY. I was told that it was being sold.

Mr. KENNEDY. By whom?

Mr. CLANCY. I don't know now. I could not tell you, maybe the secretary, or I don't know.

Mr. KENNEDY. You don't remember that?

Did you consult with the membership about that?

Mr. CLANCY. No.

Mr. KENNEDY. You just sold the property?

Mr. CLANCY. The property was sold.

Mr. KENNEDY. Was it your duty as president to sign the deeds for the sale of property?

Mr. CLANCY. Presumably, yes.

Mr. KENNEDY. It was, and so you inquired into why the union was going to sell this piece of property?

Mr. CLANCY. No.

Mr. KENNEDY. Did you think it was a good idea to sell it?

Mr. CLANCY. That I did not know. I am not a real-estate man.

The CHAIRMAN. You were not permitted to do much thinking were you, as president?

Mr. CLANCY. Now you hit the nail on the head, sir.

The CHAIRMAN. I thought so.

Proceed.

Mr. CLANCY. That is just what you did.

The CHAIRMAN. Thank you.

(Present: Senators McClellan, McNamara, Ervin, and Curtis.)

Mr. KENNEDY. Did you object much to the fact that they wouldn't allow you to think?

Mr. CLANCY. No.

Mr. KENNEDY. You never objected to that?

Mr. CLANCY. No, sir.

Mr. KENNEDY. Were you ever down to look at this property?

Mr. CLANCY. Yes. I seen it once when it was first looked at, and I seen it again when the building was built, and I was to a meeting there about a month ago. I seen it the second time.

Mr. KENNEDY. Did you see it when the building was going up?

Mr. CLANCY. Not when the building was going up. I seen it when they first was looking at it, before they ever bought it or thought about buying it. They were just looking.

Mr. KENNEDY. You have only seen it twice?

Mr. CLANCY. I have seen it twice; yes.

Mr. KENNEDY. What about when the union repurchased the property? Were you aware of that, when they repurchased lot No. 3?

Mr. CLANCY. No, I wasn't aware that that was purchased back, because there had been another piece of property purchased, and I thought that that was the piece of property which we were buying. That was another piece of property which I haven't ever seen.

Mr. KENNEDY. You couldn't have thought it was another piece of property, if it was another piece of property.

Mr. CLANCY. There is another piece of property that I guess you probably haven't come to yet.

I thought possibly that was the piece of property.

Mr. KENNEDY. What did you think when you purchased the other piece of property?

Mr. CLANCY. Well, there was a recommendation that came in that there was a good buy on a piece of property, so they went and bought it.

Mr. KENNEDY. That was the other piece of property. Then you bought this piece of property. What did you think that was?

Mr. CLANCY. Never thought about it. Never give it a thought.

Mr. KENNEDY. You were president of the local, were you not?

Mr. CLANCY. And I was out in the field as a business agent, also.

Mr. KENNEDY. So you never found out about that piece of property? You never knew that you were repurchasing the same property that you had sold 6 months before?

Mr. CLANCY. No, sir, never.

Mr. KENNEDY. But the property you had sold for \$15,000, you didn't know you were repurchasing 6 months later for \$35,000?

Mr. CLANCY. Never knew about it.

Mr. KENNEDY. You were president of the local and you didn't inquire into it at all.

Mr. CLANCY. No, sir.

Mr. KENNEDY. You got a little money from it?

Mr. CLANCY. No, not a dime.

Mr. KENNEDY. Not a dime?

Mr. CLANCY. That is right.

Senator McNAMARA. Mr. Chairman?

Mr. KENNEDY. And you signed these checks or signed the vouchers for the \$35,000 for the purchase of this land, did you not?

Mr. CLANCY. The original purchase?

Mr. KENNEDY. No, for the purchase of property No. 3, lot No. 3?

(At this point, Senator Ervin withdrew from the hearing.)

Mr. CLANCY. I don't know whether the girl used my rubber stamp to stamp it or whether I signed it. I couldn't tell you. I would have to look and see.

Mr. CURTIS. Do you mean to say that the union members' money is checked out in the amount of \$35,000 by a rubber stamp?

Mr. CLANCY. I only signed the warrant, sir, not the check.

Mr. CURTIS. Who signs the check?

Mr. CLANCY. I will repeat it. The manager, the treasurer, the recording secretary.

Mr. CURTIS. Before a check is issued, what documents must be signed?

Mr. CLANCY. What documents?

Mr. CURTIS. Yes.

Mr. CLANCY. Well, you sign a warrant, when you get around to it.

Mr. CURTIS. A warrant?

Mr. CLANCY. That is right.

Mr. CURTIS. Who else signs that besides you?

Mr. CLANCY. The secretary.

Mr. CURTIS. Before they would get \$35,000 out of the treasury to write this check, you would have to sign a warrant, is that correct?

Mr. CLANCY. Not necessarily. Not necessarily.

Mr. CURTIS. Do you mean somebody can get \$35,000 out of your union without you as president knowing about it?

Mr. CLANCY. It is very possible, yes.

Mr. CURTIS. It is very possible?

Mr. CLANCY. Sure.

Mr. CURTIS. That is according to your bylaws?

Mr. CLANCY. If the secretary signs the warrant, and I am away, the other three sign the paycheck, or whatever you want to call it, the check, they got it, and when I come back, I sign the warrant.

Mr. CURTIS. Now tell us: Did you know that \$35,000 was going out of the treasury of the union to repurchase parcel No. 3?

Mr. CLANCY. No, sir.

Mr. CURTIS. You never did know that?

Mr. CLANCY. No, sir.

Mr. CURTIS. If they have troubles, Mr. Chairman, I can understand it.

The CHAIRMAN. Incredibility seems to be the order of the day in some of these hearings. Let us proceed.

Mr. KENNEDY. I want to ask you about another transaction. Your testimony so far is very difficult either to believe or to understand. But did the union also purchase a boat?

Mr. CLANCY. Yes, sir.

Mr. KENNEDY. When did they purchase the boat?

Mr. CLANCY. I don't know the dates. I have no idea now. It was a few years back.

Mr. KENNEDY. Back in 1947?

Mr. CLANCY. I don't know the date, sir. I can't tell.

Mr. KENNEDY. How much did they spend for the boat? First, how much did you say that you spent for the boat?

Mr. CLANCY. I believe the boat was bought for \$10,000.

Mr. KENNEDY. How much in fact was used?

Mr. CLANCY. I understood later on that the boat cost \$20,000, but I was led to believe that the boat—to my first knowledge, the cost of the boat was \$10,000.

Mr. KENNEDY. What do you call these things? Didn't you sign the vouchers, the warrants, for the purchase of the boat?

Mr. CLANCY. I signed the warrant. Maybe I didn't sign that warrant, neither. It might have been stamped. I am not sure.

The CHAIRMAN. Who uses that stamp that lies around?

Mr. CLANCY. One of the girls in the office stamps it. If the secretary signs it, one of the girls would do it, because I was away; out.

The CHAIRMAN. Which one of them do you authorize to stamp for you when you are away?

Mr. CLANCY. I don't know. It is one of the girls in the office that made up the checks.

The CHAIRMAN. Any of them or either of them could stamp when you were away?

Mr. CLANCY. Whenever the secretary signs them.

Senator McNAMARA. On the matter of the stamp, were you required, by virtue of the bylaws about being elected president, to furnish a facsimile stamp?

Mr. CLANCY. No; I wasn't.

Senator McNAMARA. You did this voluntarily?

Mr. CLANCY. Well, because I was—yes, I was away; occasionally I was out.

Senator McNAMARA. Then the use of this stamp you assumed full responsibility for?

Mr. CLANCY. Yes. The girl had it. Naturally, it was my responsibility.

Senator McNAMARA. And whether the girl used it or you used it, it was totally your responsibility?

Mr. CLANCY. That is right. It was on the warrant.

Mr. KENNEDY. Mr. Chairman, could I ask Mr. Salinger to summarize what happened on the boat?

The CHAIRMAN. All right, Mr. Salinger, take the stand.

TESTIMONY OF PIERRE E. G. SALINGER—Resumed

(Present: Senators McClellan, McNamara, and Curtis.)

Mr. KENNEDY. Would you tell the committee what happened regarding the boat that was purchased by local No. 3?

First, on the authorization.

Mr. SALINGER. The executive board passed a resolution to allow the union to purchase a boat. The price of the boat was not specified in the resolution.

Mr. KENNEDY. What day did the executive board meet?

Mr. SALINGER. The executive board met at 8 p. m. on July 30, 1947, according to their minutes.

(Senator Mundt returned to the hearing.)

Mr. KENNEDY. Were there checks written for the purchase of the boat approximately at that period of time?

Mr. SALINGER. On July 30, 1947, there were 3 checks drawn, 1 for \$9,000, 2 for \$500, which were entered into a book in a new account, set up to purchase the boat, indicating the boat cost \$10,000.

Mr. KENNEDY. Was there a fourth check written on that same day?

Mr. SALINGER. There was.

Mr. KENNEDY. How much was that for?

Mr. SALINGER. \$10,000.

Mr. KENNEDY. How was that charged?

Mr. SALINGER. Stolte, Inc., building account.

Mr. KENNEDY. What was that?

Mr. SALINGER. They were doing a building in Oakland and Stolte was doing the building. They put it on their books. In fact, there was an Oakland building account set up. They listed it as a cash payment toward the construction of the building.

Mr. KENNEDY. So they had \$10,000 charged for the purchase of the boat, and another \$10,000 that was charged to Stolte, Inc., and these checks were drawn on July 30. The executive board, authorizing the purchase of the boat, did not meet until 8 p. m. on July 30?

Mr. SALINGER. That is right.

Mr. KENNEDY. Did they ever take this up with the membership?

Mr. SALINGER. There was a membership meeting on August 2. At these membership meetings, it does not specify what actions of the executive board were read. It says a résumé or synopsis of the actions of the executive board was read to the membership and approved.

Mr. KENNEDY. It says the actions of the executive board had been approved?

Mr. SALINGER. That a synopsis had been approved.

Mr. KENNEDY. So we do not know whether or not they were informed that they were going to purchase a boat, is that correct?

Mr. SALINGER. That is correct.

Mr. KENNEDY. In addition to that, it was 3 days after the checks were drawn for the purchase of the boat?

Mr. SALINGER. Three checks actually set out to purchase the launch, and the fourth check to Stolte Building, Inc., but all drawn on July 30.

Mr. KENNEDY. Some 3 days before the membership meeting?

Mr. SALINGER. Correct.

Mr. KENNEDY. Have we traced the check drawn to Stolte, Inc.?

Mr. SALINGER. Yes.

Mr. KENNEDY. Where was that?

Mr. SALINGER. First of all, the ledger account of Stolte, Inc., we have checked that against the other checks drawn by Stolte, Inc., which, incidentally, were all payable to Stolte, Inc., the others being for cash, and the \$10,000 entry does not appear at any place in here.

Mr. KENNEDY. Could we have that as an exhibit?

The CHAIRMAN. Is that a photostatic copy of the Stolte, Inc., account?

Mr. SALINGER. It is.

The CHAIRMAN. That may be exhibit 18.

(The document referred to was marked "Exhibit No. 18" for reference and may be found in the files of the Select Labor Committee.)

The CHAIRMAN. As I understand, all other entries where they paid Stolte, Inc., were entered, and the checks were payable to Stolte, Inc., as payee?

Mr. SALINGER. That is right.

The CHAIRMAN. In this instance, their records reflect no \$10,000 check at that time.

Mr. SALINGER. Stolte's records do not reflect it.

The CHAIRMAN. Stolte's records do not reflect it, and the union's records reflect a check made out in cash for \$10,000?

Mr. SALINGER. The Stolte building account shows July 30, cash, \$10,000, check No. 24455, and there is a check here for \$10,000.

The CHAIRMAN. That photostatic copy of the union's record may be made exhibit No. 19.

(The document referred to was marked "Exhibit No. 19" for reference and may be found in the files of the Select Committee.)

Mr. KENNEDY. Did we inquire of the seller of the yacht as to how much the yacht cost?

Mr. SALINGER. We did.

Mr. KENNEDY. Did he furnish a notarized statement?

Mr. SALINGER. He furnished a letter which was notarized.

This is to confirm our telephone conversation of Friday, January 10, 1958. I sold our 40-foot Chris-Craft cruiser, the *Jeanie-Lou*, to Mr. P. Vandewark and Mr. Victor S. Swanson in August 1947 for the sum of \$20,000.

The CHAIRMAN. Who endorsed that \$10,000 check for cash?

Mr. SALINGER. The check is endorsed by all three officers of the union, Victor S. Swanson, C. F. Mathews, and D. E. Vandewark.

The CHAIRMAN. In other words, the bank evidently gave those three officers, or one of them, the \$10,000 in cash?

Mr. SALINGER. That is correct, sir.

The CHAIRMAN. And that is on the same date as the boat transaction?

Mr. SALINGER. That is correct, sir.

Mr. KENNEDY. Did Mr. Clancy's name come into this transaction at all?

Mr. SALINGER. Mr. Clancy signed the warrant for the \$10,000 to Stolte, Inc.

Mr. KENNEDY. And that \$10,000 was, in fact, used for the purchase of the boat?

Mr. SALINGER. That is correct.

The CHAIRMAN. What does the warrant say?

Mr. SALINGER (reading):

Cash, \$10,000, Stolte, Inc., Oakland Building, authorized by Pat Clancy, president, C. F. Matthews, secretary.

TESTIMONY OF PAT CLANCY—Resumed

The CHAIRMAN. Mr. Clancy, I present to you this warrant Mr. Salinger just testified to, and ask you to examine the photostatic copy of it and see if you identify it.

(Document handed to the witness.)

Mr. CLANCY. That is a warrant, all right.

The CHAIRMAN. Is that your signature on the warrant?

Mr. CLANCY. I believe it is.

The CHAIRMAN. You believe it is?

Mr. CLANCY. Yes.

The CHAIRMAN. According to your best knowledge and belief, after looking at it, and examining it, you believe it is your signature?

Mr. CLANCY. Yes.

The CHAIRMAN. That warrant may be made exhibit No. 20.

(The document referred to was marked "Exhibit No. 20" for reference and will be found in the appendix on p. 7857.)

The CHAIRMAN. Proceed.

Mr. KENNEDY. What explanation do you have for that?

Mr. CLANCY. For what?

Mr. KENNEDY. For the warrant. Do you see that there is anything we have said here that needs any explanation?

Mr. CLANCY. Well, the Stolte Co. was building a building or doing some repairs, and they are getting 10,000 bucks for it, wasn't it, or that is what the warrant says.

Mr. KENNEDY. That is what the warrant says?

Mr. CLANCY. That is right.

Mr. KENNEDY. That money was in fact used for the purchase of a boat. You filled out the warrant.

Mr. CLANCY. I signed the warrant.

Mr. KENNEDY. Do you have any explanation for that?

Mr. CLANCY. No.

Mr. KENNEDY. Why did you fill out the warrant for the Stolte Co. when, in fact, the money was used for the purchase of a boat?

Mr. CLANCY. I signed the warrant.

Mr. KENNEDY. Right.

Mr. CLANCY. I don't believe at that time that I knew that that was going for a boat.

Mr. KENNEDY. You wouldn't sign a warrant for \$10,000 without finding out how the money was going to be spent, would you, Mr. Clancy?

Mr. CLANCY. The Stolte Co., I may repeat, was doing work for the organization. I do not know how much work at that time, or what they were doing.

Mr. KENNEDY. But you would find out what kind of work or where that money was going, would you not, before you signed a warrant?

Wouldn't you look at the bill to find out what Stolte Co. wanted from you?

Mr. CLANCY. Yes, Mr. Kennedy.

Mr. KENNEDY. Wouldn't you find that out?

Mr. CLANCY. Well, a warrant was brought in to me, and I probably signed the warrant. It looks like I signed the warrant and that was it, the warrant was signed.

Mr. KENNEDY. Did you have a bill from Stolte Co.?

Mr. CLANCY. Evidently not. I don't know. Maybe there was one with it. Maybe Pierre found one. I don't know.

Mr. KENNEDY. As a matter of fact there was none. This \$10,000 check was used for the purchase of this boat. Can you give us an explanation of your participation in this?

Mr. CLANCY. No.

Mr. KENNEDY. You just went ahead and did it?

Mr. CLANCY. Did what? I signed a warrant.

Mr. KENNEDY. Yes.

Mr. CLANCY. Period.

Mr. KENNEDY. You don't sign a warrant without having some evidence or information on which to base the warrant, do you?

Would you sign a warrant for \$10,000 without a bill, Mr. Clancy?
Is that funny?

Mr. CLANCY. Sure it is funny.

Mr. KENNEDY. Why?

Mr. CLANCY. Because you will find more of them that have been signed without a bill. Of course, it is funny.

Mr. KENNEDY. That is the procedure you followed?

Mr. CLANCY. Well, no, but Pierre has more warrants that were signed without a bill.

Mr. KENNEDY. Mr. Clancy, we are taking them one at a time with you.

The CHAIRMAN. Would they all be funny, where they are signed without a bill?

Mr. CLANCY. I couldn't answer. I don't know.

The CHAIRMAN. Well, you said you were laughing because it was funny, because it was signed without a bill. What I am getting at is it is funny that it is out of order and improper?

Mr. CLANCY. No.

The CHAIRMAN. Why is it funny?

Mr. CLANCY. Well, you are submitted a warrant and the warrant was signed for the Stolte Co. The Stolte Co. had been doing work for us.

The CHAIRMAN. But just the fact that somebody is doing work for you does not indicate that you just sit down and write out a check or a warrant for \$10,000, without knowing that you owe it or knowing there is some evidence of the indebtedness.

Mr. CLANCY. I don't have to know it. That is what we had a business manager for. He made all of those deals with the Stolte Co. He knew what was going on with the Stolte Co. If he was owing Stolte Co., he drew a check for them and paid them.

The CHAIRMAN. As I understand your testimony, you were not permitted to think or know anything about what was going on anyhow.

Mr. CLANCY. That is right. Thinking is awful hard anyhow.

The CHAIRMAN. It is your theory that if somebody brought in a warrant and said here, sign this warrant, you signed it?

Mr. CLANCY. I don't know if the secretary brought it in, or somebody handed it to me. I might have signed it a week later. I might have been out of town.

The CHAIRMAN. In other words, a \$10,000 transaction does not amount to anything anyway. No one supervises it or knows anything about it, or authorizes it. They just issue checks for it. Is that the way the business was transacted generally?

Mr. CLANCY. The manager runs it.

The CHAIRMAN. I am asking is that the way things were done?

Mr. CLANCY. The manager run the organization. That was his business. He run it.

The CHAIRMAN. He runs the whole thing?

Mr. CLANCY. Yes.

Mr. CURTIS. This warrant you signed for \$10,000 to Stolte, that was not your own money, was it?

That was not your personal money, was it?

Mr. CLANCY. What would I be giving—if I had \$10,000, I wouldn't look at the Stolte Co.

Mr. CURTIS. It wasn't your money. Whose money was it?

Mr. CLANCY. Local 3.

Mr. CURTIS. Who owns the assets of local 3?

Mr. CLANCY. Well, up to a few months ago, I believe it was Victor S. Swanson. I am not sure.

Mr. CURTIS. Are you stating under oath that this did not belong to the members?

Mr. CLANCY. No, no. It belonged to them after a fashion.

Mr. CURTIS. What authority do you have to sign a warrant for \$10,000, on money that belonged to other people, the members, without having a bill before you or inquiring into it at all, and knowing where it is going?

What authority did you have to do that? It is somebody else's money.

Mr. CLANCY. Well, I presume there was probably a motion on the books that we remodel and do these buildings. I don't know where that was back that far or not. There is probably a motion back in there that we remodel, if that is what he was doing. I don't even remember what he was doing at the time.

Mr. CURTIS. That does not answer my question. What authority did you have to sign away \$10,000 of other people's money without even getting the bill for it?

Mr. CLANCY. I must have had the authority from the organization on the resolution to purchase buildings, to repair and purchase. That is probably the authority.

Mr. CURTIS. There may have been some authority to build or repair. I am not disputing that. But that authority did not mention this amount. I want to know what authority you had to direct the payment of money that belonged to the members without any bill.

Mr. CLANCY. When you have the authority to build and erect, you must have the authority to pay the bills or you could not do much erecting.

Mr. CURTIS. But there wasn't any bill. What authority did you have to draw a warrant when there was no bill existing? There was no evidence of any amount owing to this Stolte Co.

(Senator Kennedy entered the hearing at this point.)

Mr. CLANCY. You are talking about a bill from Stolte?

There might have been a bill there, Senator. There could have been. I couldn't say now that there wasn't a bill there. I wouldn't know whether there was or not.

The CHAIRMAN. Why would you make it out in cash, then, instead of making it out to the fellow who submitted the bill?

Mr. CLANCY. I don't know. I don't write them out.

I don't make the checks out.

The CHAIRMAN. That is another funny thing, isn't it?

Mr. CLANCY. Not necessarily.

The CHAIRMAN. Let me ask you one other question. You know now that this money, this \$10,000, went to purchase the boat?

Mr. CLANCY. I have heard it.

The CHAIRMAN. That is your information?

Mr. CLANCY. I have heard it.

The CHAIRMAN. Proceed.

Mr. CURTIS. Did you ever ride in the boat?

Mr. CLANCY. Three or four times—I forget when we purchased it. Since 1947 I think I have been in that probably not over five times, I don't believe.

Mr. CURTIS. Who else has used the boat?

Mr. CLANCY. Swanson, the Swanson family.

Mr. CURTIS. Anybody else?

Mr. CLANCY. I don't know. It is down in the harbor. I am not down there to watch it, sir.

Mr. CURTIS. I know. Do you know if anybody else used the boat?

Mr. CLANCY. No; I don't know anybody. I don't pay any attention to this boat.

Mr. CURTIS. But do you know the Swanson family did?

Mr. CLANCY. I heard that; yes.

The CHAIRMAN. Who was using it when you were there?

Mr. CLANCY. Well, one day a carpenter that we had working for us took me out to try to catch a fish, and we didn't have very good luck. That was once. And one time a couple of Swanson's boys, and I believe Vic, we went out in the boat for just a little bit. But I am not much of a sailing man, and water there bothers me.

The CHAIRMAN. The fact is that the boat was just used for the pleasure of the officers of the union?

Mr. CLANCY. That I couldn't say. I am an officer and it wasn't used for my pleasure.

(At this point, Senator Mundt entered the hearing.)

The CHAIRMAN. You didn't get any pleasure?

Mr. CLANCY. No; I got sick the first time. I didn't get no pleasure. Well, I didn't.

The CHAIRMAN. I don't doubt it.

I imagine there are others who are sick about it now, too.

Mr. CLANCY. I couldn't tell you that. I am not.

The CHAIRMAN. Senator McNamara?

Senator McNAMARA. Was the authority to purchase the boat approved by the rank and file?

Mr. CLANCY. If my memory goes back right, there was a resolution, an executive board recommendation, a resolution, brought on the floor of the membership meeting. The reason I say I remember it being brought on the floor is because after the meeting a couple of members asked me if I thought the fishing was going to be real good, and I told them that I didn't have no care about fishing. That is how I remembered it coming on the floor. Otherwise I probably wouldn't have remembered that, sir.

Senator McNAMARA. Well, you seem to have some recollection of it. Do you recall what the reason offered to the membership was for the purchase of the boat?

Mr. CLANCY. Yes.

Senator McNAMARA. What was it?

Mr. CLANCY. There was quite a few members working in the Bayonne dredges at the time, and we have jurisdiction over those dredges. The boat was to be used to service those men on the dredges, like take a man out, put him on a dredge, and that. That was what the boat was purchased for, to the best of my knowledge.

Senator McNAMARA. Do you think it was quite a legitimate use for the moment, or you did at that time?

Mr. CLANCY. At that time I believe I did, sir; yes.

Senator McNAMARA. And it developed later that it was used predominantly for this, or predominantly for the entertainment of the officers?

Mr. CLANCY. I never paid no attention to it, and I don't know what it was used for, and I cared less.

Senator McNAMARA. How much salary did you get for your job?

You got \$50 a month for being president. How much salary did you draw as business agent?

Mr. CLANCY. When? Now or prior?

Senator McNAMARA. How did you first get the job? It was by the appointment of who?

Mr. CLANCY. I was elected in local 59 back in 1936, I believe, if my memory serves me right, and I think we got \$60 a week, then, I believe, and furnished our own car for 3 cents a mile. I believe that is what it was.

Senator McNAMARA. Well, that is understandable. You were elected in the first place as business agent?

Mr. CLANCY. Right.

Senator McNAMARA. But since that time, the method has changed, and the business agents are now appointed by the business manager, is that correct?

Mr. CLANCY. Well, in 1939 there was an amalgamation of somewhere in the neighborhood of 17 locals, and we operated under international supervision for 2 years—trusteeship I believe you gentlemen call it. That is a teamster term. We don't use it.

Senator McNAMARA. What do you call it?

Mr. CLANCY. Supervision.

The CHAIRMAN. Is it just a different name for the same rose?

Mr. CLANCY. No, I wouldn't say that.

Senator McNAMARA. What is the difference?

Mr. CLANCY. Well, you got me kind of fouled—you got me working on two projects at once.

Senator McNAMARA. Let's work on this one. You say you were not in trusteeship. I am intrigued by the fact that there is a difference between that situation and the situation you found yourself in. You indicate that there is a difference in your mind; can you convey that difference?

Mr. CLANCY. Well, I know some organizations work under trusteeship, and our organization, our international then 2 years, was under supervision. Then it varies with the various organizations, I believe, how they operate under supervision.

Senator McNAMARA. As I understand it, when they are under trusteeship, the national office or the office from which you get your charter controls the union completely, and under a supervision it is still the same thing that applies, is that not right?

Mr. CLANCY. My idea of it is that when an international takes a local over and puts it under a trusteeship, they immediately impound all of the finances and funds and pay that into the international office wherever it may be, if it is here or Indianapolis or Miami, or wherever it is. And the membership dues are paid directly to the international union and the salaries are paid from the international union to the agents.

Under the International Union of Operating Engineers the general president puts a supervisor in and that local is run just like local

3 is being run now, and the moneys are left there just like it is now, and just like it is.

When they take it over, the dues are paid into the organization there, and the men or agents are paid out of the fund, and we pay our per capita tax to the international union, and to the State building trades councils and the various councils.

Now, that is the difference as I see it. Maybe you gentlemen have some other interpretations for it. If you have, you could enlighten me.

Senator McNAMARA. You raised the question.

Mr. CLANCY. Pardon me?

Senator McNAMARA. You raised this question about the difference between trusteeship and supervision, and I think you have explained it pretty well. The difference is in the handling of the finances of the organization?

Mr. CLANCY. They are left in the local union.

Senator McNAMARA. We are back to 1956 when you were elected as business agent, and you received \$60 a week.

Mr. CLANCY. I believe that is what it was.

Senator McNAMARA. Let us accept it, that is about what it was. In 1939 this was changed, you indicated, by the taking over of this supervisory thing.

Mr. CLANCY. An amalgamation of a whole flock of small locals into one larger local.

Senator McNAMARA. And taking over by the international?

Mr. CLANCY. It was not taken over, and the membership in each local voted to amalgamate in one large local, and the international did not come in and take it over. The locals voted.

Senator McNAMARA. This is the birth of local 3, then?

Mr. CLANCY. That is right, that is the birth of local 3.

Senator McNAMARA. What happened to you at this point?

Mr. CLANCY. We were under supervision, at that time when they amalgamated, and I was financial secretary of the San Francisco local. I lost my position when it went under supervision.

I was put on the road as a business agent, and organizer on the road, but I had no official capacity in the organization.

Senator McNAMARA. Then what was your salary?

Mr. CLANCY. I received \$60. It was supposed to be 3 months, and it was about 6; then I got \$75, and they furnished me a car. I believe they furnished me a car.

No, wait a minute; they bought that car in 1937. I don't know; it is so long a time ago.

Senator McNAMARA. From that time on you have received several increases in salary as the organization has grown?

Mr. CLANCY. Then in 1939, after the amalgamation, we were under supervision until July. We had an election to go to local autonomy, and we went under local autonomy in 1941 in July.

I ran for office, and I was elected, and I have been there ever since.

Senator McNAMARA. As president?

Mr. CLANCY. That is right.

Senator McNAMARA. Were you immediately appointed business agent upon being elected president?

Mr. CLANCY. Well, I was a business agent when I was elected.

Senator McNAMARA. When you ran for office?

Mr. CLANCY. And the new manager, when he came in, under local autonomy he appointed me as business agent.

Senator McNAMARA. Did you get more money at that point?

Mr. CLANCY. I don't think so. That is when the executive board graciously gave me the \$50 a month, and I think that that is when that happened.

Senator McNAMARA. And that gave you a salary of what—\$65, plus the car, or more?

Mr. CLANCY. No; I think that we got an increase. I was getting \$75, and you are getting your notes there confused, Senator. It was \$75 a week, and I got that \$50, and I don't know when it was, but gradually as the membership received an increase. We were never granted an increase unless the membership got an increase, to my knowledge.

The CHAIRMAN. An increase in dues?

Mr. CLANCY. No; wages.

The CHAIRMAN. An increase in wages?

Mr. CLANCY. Yes; the agents.

Senator McNAMARA. You get up to a salary of what?

Mr. CLANCY. \$250.

Senator McNAMARA. Plus the \$50 for being president?

Mr. CLANCY. Yes, sir.

Senator McNAMARA. And this was the only income that you had and you do not have income from other sources?

Mr. CLANCY. At the present time, I have. I have a ranch, and I have a small ranch, 46 acres, in the Sacramento Valley, that me and the Equitable Life Insurance Co. own.

Senator McNAMARA. You have a partner?

Mr. CLANCY. A real large partner, too.

Senator McNAMARA. In the main you depend upon your salary for your livelihood, and this is the real hold this fellow had over you, because you were beholden to him to hold your job. Is that correct?

Mr. CLANCY. Well, it would make it awfully interesting if I was not.

Senator McNAMARA. I do not understand that answer.

Mr. CLANCY. Well, put yourself in the position, in my position. Remember when the election was held, in 1941, there were 2 parties ran, just like our 2 parties in this great country, the Democratic and Republican. I was on the other side.

Senator McNAMARA. Which side would that be?

Mr. CLANCY. Well, I am a Democrat, but I was on the other side. Now, what would happen to a chairman who is a Democrat, with 10 or 12 Republicans on the executive board? I am just giving you an illustration, your honor.

Senator McNAMARA. Are you in effect saying "yes" to the question I ask you, if you were not beholden to this fellow for your job?

Mr. CLANCY. That is right.

Senator McNAMARA. Not to the opposition, but to the leader of the opposite party; is that right?

Mr. CLANCY. That is right.

Senator McNAMARA. So your answer was "Yes"?

Mr. CLANCY. You can't put your head against a concrete wall for 16 years, and it gets sores, Senator, so you have to go along.

Senator McNAMARA. I am not criticizing you for it. I am trying to find out what your position is. There are questions which your

memory has been a little vague on, and I am trying to find out what motivated it. I think when you answered "yes" to this thing, in this roundabout way, that you answer the question, and you point out that this is the reason that you condoned these things. Is that not right?

Mr. CLANCY. I think so.

Senator McNAMARA. That is all.

Senator KENNEDY. In other words, it was all Mr. Swanson's fault and it was not your fault at all, Mr. Clancy, is that right? You did not know anything about the boat and you have only been on the boat five times and you don't know who was riding on it or anything about it?

Mr. CLANCY. Well, I will say I knew about the boat.

Senator KENNEDY. You did not know anything about the real-estate transaction and you really did not know anything about anything, did you, and it is all Mr. Swanson's fault?

Mr. CLANCY. He run it. Anybody that is in the city of San Francisco or the bay area will tell you the same thing. You have had investigators out there and they know and they have talked to other people in the area.

Senator KENNEDY. So in other words, you did not have anything to do with it; you do not know anything about what was going on and it was all Mr. Swanson's fault.

Mr. CLANCY. Sometimes I knew a little and sometimes I didn't.

Senator KENNEDY. What did you know?

Mr. CLANCY. Various little things.

Senator KENNEDY. What sort of things?

Mr. CLANCY. Well, like I knew that we were going to purchase a boat and I knew we were going to purchase one.

Senator KENNEDY. Did you know it was going to cost \$20,000?

Mr. CLANCY. At that time, no; I didn't.

Senator KENNEDY. When did you find out about it?

Mr. CLANCY. I don't recall when I found out about it.

Senator KENNEDY. Why did you think that the \$10,000 was concealed if it was going to be used to ferry your men to and from the barges in the harbor? Why was there any necessity to conceal the \$10,000?

Mr. CLANCY. I didn't know it was concealed.

Senator KENNEDY. When you found out about it, why do you think it was concealed?

Mr. CLANCY. Well, I didn't.

Senator KENNEDY. You did not what?

Mr. CLANCY. In fact, I am not sure it was concealed yet.

Senator KENNEDY. How much do you think that they paid for the boat?

Mr. CLANCY. I was told \$10,000.

Senator KENNEDY. Is that what it cost?

Mr. CLANCY. And I believe that Salinger read from articles here that will still lead a person to believe that that is what it was.

Senator KENNEDY. You did not know it cost \$20,000?

Mr. CLANCY. Not for a long time after.

Senator KENNEDY. Why do you come here today, Mr. Clancy, and say you still believe it cost \$10,000?

Mr. CLANCY. I still believe it, because I have no proof.

Senator KENNEDY. You just said a minute ago that you did not find out for some while that it cost \$20,000.

Mr. CLANCY. Then it is only hearsay, Senator. I never have seen them pay the rest of it and I never saw them give it to the man and I don't know unless I see it.

The CHAIRMAN. Let me ask you, does the affidavit from the man who sold the boat that says he got \$20,000 for it, and does the fact that a check was issued for \$10,000 made payable to cash which you thought was going to a construction company together with the fact that the construction company records do not show the receipt of the money—does that raise a little bit of suspicion with you that the boat might have cost \$20,000?

Mr. CLANCY. Up to this moment I have not seen the affidavit from the man that the boat was bought from.

The CHAIRMAN. Well, I think that you had better take a look at it when you get off the witness stand.

Mr. CLANCY. Well, sir, now, I haven't seen it. Have you showed it to me? I have not seen it.

The CHAIRMAN. Let us have it.

I do not think that you will want to question it. I did not know you were questioning the other testimony; so look at it and see if you want to question it after you look at it.

Mr. CLANCY. My testimony was being questioned on it, and I had not seen it.

The CHAIRMAN. All right; take a look at it and read it and see what it says.

(A document was handed to the witness.)

Mr. CLANCY. The affidavit says they paid \$20,000 for it, and so they must have.

The CHAIRMAN. That, together with the fact that you were instructed evidently to make out a check for cash or make out a warrant showing it was going to a construction company, all at the same time as this transaction, and the fact that the company did not get the money or the cash from the check—it raises a little suspicion that they may have possibly paid \$20,000 for the boat?

Mr. CLANCY. It looks like they did.

Mr. KENNEDY. Mr. Chairman, this witness, Mr. Clancy, participated actively in this transaction. It was you, Mr. Clancy, that made out the phony warrant, and you were the one that made these books appear fictitious.

You made out a warrant for \$10,000 to an organization to which the union did not owe the money and it was you who made all of this possible.

Mr. CLANCY. Was the company doing some work there, and how do I know?

Mr. KENNEDY. But you never received a bill for this.

Mr. CLANCY. That I don't know.

Mr. KENNEDY. I am telling you the records show you never received a bill for this. You signed a voucher for \$10,000 for an organization which never submitted you a bill and to whom you did not owe this amount of money. You made this transaction possible and don't blame everything on Swanson.

You are blaming all of these Stockton land deals on Mr. Swanson. This is all Mr. Swanson and he was the general manager and you say—

I would have lost my job and I would have lost my livelihood.

You are president of a local; you signed all of these vouchers and it is your responsibility.

The CHAIRMAN. Is there anything further?

Senator McNAMARA. Yes, Mr. Chairman.

I do not want to appear like a witness for the defense but you did not sign this warrant with the idea the checks would be made out for cash and you had a right to assume that it was going to be made out to this construction company.

Mr. KENNEDY. It is made out to cash.

Senator McNAMARA. I have not seen the warrants. How does the construction company enter into it from your position?

Mr. KENNEDY. Look on the bottom of the warrant.

Senator McNAMARA. And you authorized this payment in cash to Stolte, Inc., in Oakland Building, is that right? You authorized this payment in cash. Wasn't that an unusual thing for you to do?

Mr. CLANCY. Senator, I might have signed that warrant and 3 or 4 days after it was made out, and in fact I might have signed it a week after it was made out.

Senator McNAMARA. Which would not change the facts, would it?

Mr. CLANCY. No.

Senator McNAMARA. Whether you signed it on the same day or the day before or 3 days later, you still signed the warrant for cash. I am asking you, wasn't this an unusual transaction to specify that the union should pay in cash? I do not know how you escape this either, and I cannot quite see that.

It is an unusual transaction and you do not commonly sign amounts of \$10,000 to be paid out in cash, do you? Ordinarily, they would be paid by check, but this warrant specifies it was to be paid by cash to this company. You do not do a very good job of explaining that, sir.

There is nothing you can add to it?

Mr. CLANCY. No; it is a warrant.

Senator McNAMARA. All right.

The CHAIRMAN. Is there anything further?

Senator McNAMARA. That is all.

The CHAIRMAN. The committee will stand in recess until 2 o'clock tomorrow afternoon, and Mr. Clancy, you will appear at that time.

(Whereupon, at 4:40 p. m., the hearing in the above-entitled matter was recessed to reconvene at 2 p. m., of the following day.)

INVESTIGATION OF IMPROPER ACTIVITIES IN THE LABOR OR MANAGEMENT FIELD

WEDNESDAY, JANUARY 22, 1958

UNITED STATES SENATE,
SELECT COMMITTEE ON IMPROPER ACTIVITIES
IN THE LABOR OR MANAGEMENT FIELD,
Washington, D. C.

The select committee convened at 10:30 a. m., pursuant to Senate Resolution 74, agreed to January 30, 1957, in the caucus room, Senate Office Building, Senator John L. McClellan (chairman of the select committee) presiding.

Present: Senator John L. McClellan, Democrat, Arkansas; Senator Irving Ives, Republican, New York; Senator Sam J. Ervin, Jr., Democrat, North Carolina; Senator Barry Goldwater, Republican, Arizona; Senator Karl E. Mundt, Republican, South Dakota; Senator Carl T. Curtis, Republican, Nebraska; also present: Robert F. Kennedy, chief counsel; Jerome S. Adelman, chief assistant counsel; Pierre S. Salinger, investigator; Joseph I. Gordon, a GAO investigator on loan to the committee; Ruth Young Watt, chief clerk.

(Members of the select committee present at the convening of the session were Senators McClellan and Curtis.)

The CHAIRMAN. The committee will come to order. Call the next witness.

Mr. KENNEDY. Mr. Chairman, I would like to correct a matter in the record from yesterday concerning the chart. Instead of "Hidden Profit to Union Officials," as we had on the chart yesterday, it should be "Hidden Payment to Union Officials."

These officials did pay \$15,000 for this land. Therefore, \$15,000 should be deducted from the \$59,000, as far as the profit is concerned. So the profit would be \$44,000, and the amount would be \$59,000. That should be corrected for the record.

The CHAIRMAN. All right. The record stands corrected. The Chair yesterday, in his opening statement, said that this local No. 3, I believe, was the largest local. My information is that it is not the largest in membership, but largest in area.

That was not quite clear at the time I made the opening statement. It appears now that there are a few others, maybe, that may have a larger membership. But local No. 3, I believe, covers the largest geographical area of any major union.

Mr. KENNEDY. The first witness is Mr. Patrick Joseph Clancy.

The CHAIRMAN. Come forward, Mr. Clancy.

TESTIMONY OF PATRICK W. CLANCY—Resumed

The CHAIRMAN. You were sworn yesterday. We will resume your testimony.

Mr. KENNEDY. Mr. Clancy, we were talking about the boat yesterday. Do you know of any time that the boat was used for official business for the union?

Mr. CLANCY. Mr. Chairman, if I may correct the record when we start. The name is not Patrick Joseph Clancy. It is Patrick William. The CHAIRMAN. All right.

Mr. KENNEDY. Mr. Clancy, do you know of any time that the boat was used for any union purposes?

Mr. CLANCY. I don't know. I don't remember if it was. I don't remember.

Mr. KENNEDY. Do you remember any time it was?

Mr. CLANCY. I never used the boat. I wasn't around it. So I wouldn't know.

Mr. KENNEDY. The answer is you do not know?

Mr. CLANCY. I don't know whether it was or not.

Mr. KENNEDY. Do you know how much the boat has cost the union?

Mr. CLANCY. How much it has cost?

Mr. KENNEDY. Yes.

Mr. CLANCY. No, I don't.

Mr. KENNEDY. Well, the original price was \$20,000. In addition to that, Mr. Chairman, according to the records that we have, it cost another \$31,076.86. That is through 1956. In 1954, they had \$12,680.29 worth of Cadillac engines installed in the boat.

The CHAIRMAN. We have a member of the staff who can verify that?

Mr. KENNEDY. Yes.

TESTIMONY OF JOSEPH I. GORDON—Resumed

The CHAIRMAN. You were sworn yesterday, so you may resume your testimony. Proceed.

Mr. KENNEDY. Do you know how much the payments amount to that have been made for the improvements and the upkeep of the boat since it was purchased, Mr. Gordon?

The CHAIRMAN. Let me ask you this question: Did you get these figures that you are going to testify to from the records of the union?

Mr. GORDON. Yes, sir. We have a summary here of the totals for the years 1950 through 1956, a total of \$31,079.86. In 1954, they installed some Cadillac engines, and they had to do an awful lot of converting.

The CHAIRMAN. In 1954?

Mr. GORDON. Yes; in 1954. They put in some ship-to-shore communications and other things. We have a tremendous list of things that they actually put on. It is a very fine point.

The CHAIRMAN. Do you have a list that can be made a part of the record?

Mr. GORDON. Yes. As a matter of fact, it runs to a tremendous amount of paperwork.

The CHAIRMAN. Let the paperwork be filed as an exhibit for reference only, such as you identify, Mr. Witness. It may be filed as exhibit No. 21 for reference only.

(The document referred to was marked "Exhibit No. 21" for reference and may be found in the files of the select committee.)

The CHAIRMAN. You may summarize in your testimony what the exhibit reflects.

Mr. GORDON. By years?

The CHAIRMAN. By year.

Mr. GORDON. Well, on this particular page here, in 1950 they had a tremendous number of repairs.

Mr. KENNEDY. Do you want it by year, Mr. Chairman?

Mr. GORDON. I think I am a little confused. I do not know whether you want me to actually—

The CHAIRMAN. Just show the total spent on the boat each year, by year, and what the grand total is. That will be sufficient.

(At this point, Senator Goldwater entered the hearing.)

Mr. GORDON. In 1950, they spent \$2,862.66. In 1951, they spent \$2,188.73. In 1952, they spent \$2,735.80. In 1953, they spent \$1,435.10. In 1954, \$12,680.29. In 1955, they spent \$3,909.61. In 1956, it was \$5,267.67, giving a grand total of \$31,079.86.

The CHAIRMAN. Does that cover all of the expenses of the boat during that period?

Mr. GORDON. Yes.

The CHAIRMAN. Does that cover the operating expense?

Mr. GORDON. That is the operating expense that we have on the boat. It does not include the original purchase price of \$20,000, Mr. Chairman.

The CHAIRMAN. Senator Curtis?

Senator CURTIS. Do those figures include a crew?

Mr. GORDON. No. They didn't have a paid crew. Mr. Vandewark for a long time handled the boat, and at other times Marshall Swanson or Victor Swanson or the sons piloted the boat.

Senator CURTIS. Did that include fuel?

Mr. GORDON. Yes; it included fuel.

Senator CURTIS. Did that boat have a log?

Mr. GORDON. I tried to obtain the log, and I was not able to get the log. I was told that one was not maintained by Mr. Vandewark.

Senator CURTIS. Did you find any evidence that the boat was used for anything other than the personal pleasure of the individual officers of the union?

Mr. GORDON. No, I didn't find any evidence. At one time, and I have forgotten who told me, they did have some international vice presidents visit in San Francisco, and that is the only time that they actually used it on what could be official business. I cannot remember who told me that information. I think it was Mr. Vandewark.

Senator CURTIS. I would like to ask Mr. Kennedy a question. Do we have any evidence of the individuals who got the benefit of this boat reporting it in their income tax as additional income?

Mr. KENNEDY. I have no information one way or the other.

Mr. GORDON. I could add one more thing. Marshall Swanson, the owner of the Marshall Development Co., did use the boat from time

to time. I am told by his brother, Russell Swanson, that from time to time he had guests on the boat.

Senator CURTIS. Is he a member of the union?

Mr. GORDON. Yes, he is a member of the union.

Senator CURTIS. But he is also the son of the business manager?

Mr. GORDON. Yes, sir.

Senator CURTIS. He was the owner of the union. That is all.

The CHAIRMAN. He also runs the real-estate agency that does business with the union?

Mr. GORDON. Yes. He owns the Marshall Development Corp.

TESTIMONY OF PATRICK W. CLANCY—Resumed

Mr. KENNEDY. You say, Mr. Clancy, that you know of no time that the boat was ever used for union purposes, is that right? You know of no time, yourself, that the boat was ever used?

Mr. CLANCY. I cannot remember any, Mr. Kennedy, right at the present moment, because I didn't pay any attention to it.

Mr. KENNEDY. The answer is you do not know?

Mr. CLANCY. No. I don't remember.

Mr. KENNEDY. In addition to having the boat, did you also have a plane?

Mr. CLANCY. That is right.

Mr. KENNEDY. When did you buy the plane?

Mr. CLANCY. When did I buy it?

Mr. KENNEDY. When did the union buy the plane?

Mr. CLANCY. That ship was brought in—that is an AT-11, surplus Army. It was purchased in, I believe, 1948 or 1949. I am not sure of the year or the dates, but it was along in that time.

Mr. KENNEDY. That plane was to be used because you had such a large area to cover, to go to the various projects; is that right?

Mr. CLANCY. Right.

Mr. KENNEDY. You had a 3- or 4-State area that local 3 had to cover, your jurisdiction?

Mr. CLANCY. Yes; three States. Leave the fourth out. It is a three-State area.

Mr. KENNEDY. Three States?

Mr. CLANCY. Yes.

Mr. KENNEDY. And the union purchased this plane back in 1947?

Mr. CLANCY. No; 1948 or 1949.

Mr. KENNEDY. Is that the plane that they still have?

Mr. CLANCY. That is right.

Mr. KENNEDY. What kind of plane is that?

Mr. CLANCY. That is a twin-engine Beech. It is called an AT-11, Army model; a UC-7, I believe the Navy called it. It is a surplus version, anyhow.

Mr. KENNEDY. You were the pilot of the plane?

Mr. CLANCY. That is right.

Mr. KENNEDY. You did the flying for the union?

Mr. CLANCY. That is right.

Mr. KENNEDY. Has the plane been used lately on many of these union projects?

Mr. CLANCY. I haven't flown the plane since last—I don't know—probably March, April, or May, along in there. I don't believe that

that entry—I meant to get that entry for the logbook which you have there. Did I give you that last entry, Joe?

We live with them so long that we know them pretty personally.

Mr. KENNEDY. The plane, in some areas, has not been used for many union projects over the period of the last few years; is that right?

Mr. CLANCY. Well, no; we haven't used it too much in the last few years, but practically all of its use was for union business, practically all of it. There is a little bit of it that wasn't, but practically all of it was.

Mr. KENNEDY. Did you ever use it for other than union business?

Mr. CLANCY. One time.

Mr. KENNEDY. What did you do then?

Mr. CLANCY. Well, here about December 26—I would have to have my log book to tell you exactly.

Mr. KENNEDY. I don't use the exact dates.

Mr. CLANCY. Well, you might call me a liar afterward. I would like to have the dates pretty close.

Mr. KENNEDY. Well, let's say December. December of what year?

Mr. CLANCY. December of 1956, I believe it was, I used the plane for—well, let's see, we go by hours, the flying hours. It was approximately 16 hours. I would have to add them out of my logbook.

Mr. KENNEDY. Where did you go in the plane?

Mr. CLANCY. Down to Mexico City?

Mr. KENNEDY. Who did you go with?

Mr. CLANCY. My wife, another official of the local, and his wife.

Mr. KENNEDY. You took a trip, a vacation down there?

Mr. CLANCY. I was on my vacation.

Mr. KENNEDY. How long were you down there?

Mr. CLANCY. Two weeks, approximately. A little bit less than 2 weeks.

Mr. KENNEDY. That is the only time you have used it for pleasure, just that once?

Mr. CLANCY. Well, yes, I believe it is. I believe it is.

Mr. KENNEDY. Did you make any other trips to Mexico?

Mr. CLANCY. I did, but I considered when I was flying it then, I wasn't on pleasure, I was working, because it is work, Mr. Kennedy, to fly a seven-passenger airplane.

Mr. KENNEDY. Was that another trip to Mexico?

Mr. CLANCY. Yes.

Mr. KENNEDY. Who were you with on the other trip to Mexico?

Mr. CLANCY. Swanson, the secretary, Brother Mathews, Vandewark, and a friend of ours that works for the United Air. He went with us. I believe that was all. I think there were five of us.

Mr. KENNEDY. You went down to Mexico for a vacation; did you?

Mr. CLANCY. Well, it was a vacation, but it was only a week, we was gone a week. In fact, that year I had 2 weeks' vacation coming, and that is the only week I got, and I never did consider that as a vacation, because I was working.

Mr. KENNEDY. You are a pretty good pilot; are you, Mr. Clancy?

Mr. CLANCY. I hold a commercial license with an instrument rating, sir. I wouldn't say I am the best in the world, but I can get up and down.

Mr. KENNEDY. Did you every get down and crash?

Mr. CLANCY. I made a forced—I was forced on instruments one time.

Mr. KENNEDY. Where were you forced?

Mr. CLANCY. About one-quarter of a mile off the end of the runway in San Francisco Bay. I put it in with the gear down. If you think that ain't a pretty good piloting job, Bob, have at it.

Mr. KENNEDY. You landed in San Francisco Bay?

Mr. CLANCY. With the gear down. That is the problem.

Senator GOLDWATER. Why didn't you pull the gear up?

Mr. CLANCY. I was on instruments, sir, cleared in on instruments, on final.

Senator GOLDWATER. You were just short of the runway?

Mr. CLANCY. I was coming in on instrument approach.

Senator GOLDWATER. You were short of the runway?

Mr. CLANCY. I was a little bit low, sir; yes; I got a little bit low.

Mr. KENNEDY. Do you know how much it cost to repair the airplane that time?

Mr. CLANCY. No. I haven't got the figures, the exact figures. We were authorized to go ahead and repair it, to fix the ship up.

Mr. KENNEDY. Do you know what the book value of the plane was at that time?

Mr. CLANCY. Well, at one time there was an offer made. The book value, Mr. Kennedy, depends. It is just like a couple of weeks ago, the United States Government released, I think, quite a number of those planes, so that brings the value down. Next week the value may go back up. It is pretty hard to tell what the book value is.

Mr. KENNEDY. Do you know what the book value was at the time you landed in San Francisco Bay with your gear down?

Mr. CLANCY. What do you mean by the book value?

Mr. KENNEDY. Well, the book value you were just talking about.

Mr. CLANCY. The Blue Book value or what?

Mr. KENNEDY. Your book value of the plane in the books of the local.

Mr. CLANCY. I don't keep the books of the local. I don't know what that is.

Mr. KENNEDY. Do you know how much the repairs were?

Mr. CLANCY. No; offhand, I don't.

Mr. KENNEDY. Would you like to know?

Mr. CLANCY. Yes. That would be interesting.

Mr. KENNEDY. The book value of the plane at the time you made the crash was \$7,992.20. The repairs that were made at union expense, when you landed in San Francisco Bay with the gear down was \$32,252.28.

Mr. CLANCY. Well, I believe probably at that time the ship—that was in 1953? At that time probably the market value of the airplane at that time would have probably been in the neighborhood of \$35,000 to \$40,000, at that time. I believe if you get the records back and look at the market value of those airplanes then, that that is what you will probably find.

Mr. KENNEDY. I am just reading the market value at that time.

Mr. CLANCY. Thanks for enlightening me to the actual cost of repairs, because I did not keep the actual cost.

Mr. KENNEDY. Do you know how much the plane has cost the union other than that, since 1950?

Mr. CLANCY. No, I don't.

Mr. KENNEDY. You don't have any of those figures?

Mr. CLANCY. No.

Mr. KENNEDY. You were not president of the local at that time?

Mr. CLANCY. That is right, but I am not the bookkeeper, sir. I am the president.

Mr. KENNEDY. Mr. Gordon, do you have those figures?

Mr. GORDON. Yes, sir.

TESTIMONY OF JOSEPH I. GORDON—Resumed

Mr. KENNEDY. Mr. Gordon, have you made a study of the books to find out what the expenses have been to the union for this plane, other than the repairs?

Mr. GORDON. Yes, I have. I found the operating expenses—I made tabulation of the operating expenses very much like the launch. We reproduced the ledger sheets. My summary here shows that in 1950 they spent \$4,249.22; in 1951, \$5,199.22; 1952, \$4,526.04; 1953, \$1,420.85; 1954, \$3,824.04; 1955, \$2,218.83; 1956, \$3,018.43; giving a grand total of \$24,456.63 for the period 1950 through 1956.

Mr. KENNEDY. Do you have how much the plane cost originally?

Mr. GORDON. Yes. Originally it cost \$16,261.03, and they put quite a few additional items to it, and it increased the capital cost to \$22,835.21 by March 1949. We had no other entries in the ledger until after the crash happened, in 1952.

Mr. KENNEDY. Do you have the total cost of the airplane originally, the repairs that were made at the time of the accident, and the operating cost?

Mr. GORDON. No, but I can get it for you. Yes. It is sixty-four-thousand-some-odd dollars. I have the figures there. It is \$64,701.11.

Mr. KENNEDY. It is \$24,000—

Mr. GORDON. It is \$24,000 and \$40,000. You see, the additions of the \$16,000, plus all the other additions, comes up to \$22,835, and \$32,252—

Mr. KENNEDY. Well, that is fine. At the time that they repaired this airplane that Mr. Clancy testified to, did they have to build a special cover for it?

Mr. GORDON. Yes, they did, at the airport.

Mr. KENNEDY. How much did that special cover or house cost? That is included in the \$32,000?

Mr. GORDON. No. That is in addition. I believe it ran about \$1,035.

Mr. KENNEDY. That was a special cover for the airplane so they could make the repairs?

Mr. GORDON. Yes.

Mr. KENNEDY. Who did they go to to get that done?

Mr. GORDON. There were some mechanics at the South San Francisco Airport area, and they worked off-duty hours.

Mr. KENNEDY. Did Mr. Cameron have anything to do with this?

Mr. GORDON. As I remember it, it was Donald A. Cameron, Inc., that built the building.

Mr. KENNEDY. How much did the building cost?

Mr. GORDON. As I remember it, it was about \$1,035.

Mr. KENNEDY. Was Mr. Donald Cameron a partner of Mr. Marshall Swanson?

Mr. GORDON. He was a part of the corporation, Donald A. Cameron, Inc. The other stockholder was Marshall Swanson, the son of Victor S. Swanson.

Mr. KENNEDY. Was Mr. Donald Cameron at that time on one of the city commissions?

Mr. GORDON. He was a public utilities commissioner, along with Victor S. Swanson, yes, sir.

Mr. KENNEDY. We will go further into that matter at a later time.

Senator GOLDWATER. Could I ask a question before you leave? I noticed on the ledger sheet that there was a trade-in value on a Cessna.

Mr. GORDON. They had another plane, yes, sir.

Senator GOLDWATER. Before the AT-11?

Mr. GORDON. Yes, sir.

Senator GOLDWATER. What type of Cessna was that? Was it the old twin-engine?

Mr. CLANCY. It was what they called a bamboo bomber, if you are familiar with them.

Senator GOLDWATER. Yes, I remember that.

Mr. CLANCY. It was a Cessna UC-78.

Senator GOLDWATER. How long did you have that?

Mr. CLANCY. I think I put in about 300 hours in that airplane, but it wasn't too good on single engine. If you are familiar with the airplane, you know what I am talking about, Senator.

Mr. GORDON. We have the ledger on that Cessna, too, sir. It was actually purchased November 26, 1947.

Senator GOLDWATER. How much did they spend on that?

Mr. CLANCY. I don't—

Senator GOLDWATER. Are you giving us the total airplane account when you give us \$69,000?

Mr. CLANCY. Yes.

Senator GOLDWATER. That includes the trade-in on the Cessna?

Mr. CLANCY. Yes.

TESTIMONY OF PATRICK W. CLANCY—Resumed

Mr. CLANCY. Senator, I believe you will find that that 78 was not a safe airplane. Between the city of Salt Lake and Auburn, Calif., hauling passengers, if I was going over there alone, it wouldn't have mattered, but hauling passengers it would not hold. Well, it wasn't an instrument ship, so you would have to have at least 9,000. Well, you could have gotten by with 7,000 on single engines to get you in, but it wouldn't hold that, and you know that probably as I do.

Senator GOLDWATER. The tech order had an 8,500-foot ceiling on single engine.

Mr. CLANCY. On the Beech.

Senator GOLDWATER. No; on the Cessna. It was not a safe airplane even standing on the ground.

Mr. CLANCY. Thank you. That bears out my reason for wanting a better one.

Mr. KENNEDY. So between purchasing and operating the airplane and the boat, it cost the union approximately \$120,000.

Mr. CLANCY. Mr. Chairman, there is one thing that I think we overlooked that should be in the records. When I went on my vacation to Mexico, after I left Nogales, Ariz., the expense from there down and back to Phoenix was paid by us out of our own pocket.

Local No. 3 didn't pay that. In the expense of the operating engineers using that Beech, that Beech, I always figured our cost was approximately \$17 an hour. If you will figure the hours and the passengers moved from various places, the Beech was always making money in comparison with the airline operations.

Mr. KENNEDY. You used your own money on the trip to Mexico?

Mr. CLANCY. That is correct.

Mr. KENNEDY. Did you try to use your travel card? Your credit card?

Mr. CLANCY. Well, I think I was used to pulling them out, and down in Nogales, the guy said "No savvy," and I said "Bueno."

Mr. KENNEDY. So you tried—

Mr. CLANCY. No; I didn't try. If you are used to using a card, and you gas up, what would naturally be your first thing?

Mr. KENNEDY. To pull out the union credit card.

Mr. CLANCY. A credit card, let's put it that way. Not boosting the Union Oil Co.

Mr. KENNEDY. This happened to be a union credit card?

Mr. CLANCY. The Union Oil Co. credit card?

Mr. KENNEDY. No, the union credit card. The union furnished them.

Mr. CLANCY. It might have been, or it might have been my own. I don't remember. I also have a credit card.

Mr. KENNEDY. I would like to just ask you a few more questions. Did you ever take what we describe as a check-cashing expedition?

Mr. CLANCY. Yes.

Mr. KENNEDY. When did you do that? Was that about July of 1956?

Mr. CLANCY. I don't remember now. I will have to have the records to show when it was.

Mr. KENNEDY. Early in July of 1956. Can you tell us what happened on that in connection with the check-cashing expedition? Did you fly in your plane?

Mr. CLANCY. Would you have me tell you, or would you want the affidavit? Read the affidavit you have.

Mr. KENNEDY. The amount of money that was involved was \$10,000; is that right?

Mr. CLANCY. That is right. No, as far as I was concerned it wasn't. It was \$4,000 as far as I was concerned.

Mr. KENNEDY. But you had checks amounting to \$10,000 on this plane trip, is that right?

Mr. CLANCY. I didn't. No, I didn't.

Mr. KENNEDY. Who did you go on the plane trip with?

Mr. CLANCY. Vandewark.

Mr. KENNEDY. What was Mr. Vandewark's position at that time?

Mr. CLANCY. Treasurer of the organization.

Mr. KENNEDY. He was the treasurer of the organization?

Mr. CLANCY. Yes, and a business representative.

Mr. KENNEDY. And you say you had \$4,000 with you?

Mr. CLANCY. Yes.

Mr. KENNEDY. How much did he have?

Mr. CLANCY. Six, I believe it was.

Mr. KENNEDY. He had six in checks?

Mr. CLANCY. Yes.

Mr. KENNEDY. So between the 2 of you, you had \$10,000; is that right?

Mr. CLANCY. Yes.

Mr. KENNEDY. And that \$10,000 was broken down into 5 checks?

Mr. CLANCY. Yes.

Mr. KENNEDY. And amounting to \$2,000 apiece?

Mr. CLANCY. Right.

Mr. KENNEDY. What was the purpose of the trip?

Mr. CLANCY. To campaign and to cash the checks, the money to be used in the campaign in the election.

Mr. KENNEDY. Who gave you the checks?

Mr. CLANCY. Mr. Swanson.

Mr. KENNEDY. Mr. Swanson, the general manager, gave you five checks?

Mr. CLANCY. No, he gave me two, I believe it was.

Mr. KENNEDY. And did you get in your airplane and fly to five different cities?

Mr. CLANCY. I got in the union's airplane, not mine, Bob. I don't own an airplane.

Mr. KENNEDY. You got in the union's airplane?

Mr. CLANCY. That is right.

Mr. KENNEDY. And you flew to five different cities?

Mr. CLANCY. I would have to have my logbook to tell you how many I actually landed in.

(The document was handed to the witness.)

Mr. CLANCY. Seattle, Butte——

Mr. KENNEDY. Give us the names of the cities you went to.

Mr. CLANCY. Seattle.

Mr. KENNEDY. What did you do when you went to Seattle?

Mr. CLANCY. I stayed overnight. That is 3 hours and 50 minutes for the flight.

Mr. KENNEDY. Did you cash a check there?

Mr. CLANCY. No, I don't think so.

Mr. KENNEDY. Did Vandewark cash a check?

Mr. CLANCY. I don't remember whether he did or not.

Mr. KENNEDY. Tell us where you went next.

Mr. CLANCY. 7-10, Butte, Mont. The time was 2 hours 50 minutes. That is a pretty fast airplane, Senator.

Senator GOLDWATER. And you had a good tailwind, too.

Mr. CLANCY. And it helped right along. Thank you.

We stopped at Butte and we stayed there—I believe I was there—well, the record shows that I left Butte for Pierre, S. Dak. I left there. I was there 5 days.

Mr. KENNEDY. What did you do there?

Mr. CLANCY. I was busy there. I fished around there. That is wonderful to fish there.

Mr. KENNEDY. How many times did you go fishing?

Mr. CLANCY. I don't know. I didn't go every day. But I fished a couple of times. In the Big Hole River, I believe they call it.

Mr. KENNEDY. Did you cash the \$2,000 there?

Mr. CLANCY. Yes, I cashed one check, I believe, there.

Mr. KENNEDY. \$2,000?

Mr. CLANCY. Yes.

Mr. KENNEDY. What did you do with the money?

Mr. CLANCY. I put it in my pocket and went on. We are not back yet, you know. We are still up in Butte.

Mr. KENNEDY. All right.

Mr. CLANCY. On the 15th—

Mr. KENNEDY. So that we can understand this trip, what was the purpose of the trip? Just to cash the checks?

Mr. CLANCY. Well, then to campaign.

Mr. KENNEDY. But primarily it was to cash the checks, was it not?

Mr. CLANCY. Well, maybe it was 50-50. Probably primarily to cash them, yes.

Mr. KENNEDY. Why did you go to a lot of different cities to cash the checks? So that it would appear that you were doing work in the various cities?

Mr. CLANCY. I presume.

Mr. KENNEDY. What?

Mr. CLANCY. I presume it was.

Mr. KENNEDY. That is the reason you went?

Mr. CLANCY. Yes.

Mr. KENNEDY. Mr. Clancy?

Mr. CLANCY. Yes.

Mr. KENNEDY. Thank you. Now, where did you go after that?

Mr. CLANCY. Well, I left Butte on the 15th. I stopped in Pierre, S. Dak. I think I went in there for gasoline. I must have been having some difficulties there. I was on instruments when I went in there, that is right. I gassed up, got a clearance out of there, and went from Pierre to Minneapolis, 2 hours and 15 minutes.

Mr. KENNEDY. What did you do in Minneapolis?

Mr. CLANCY. In Minneapolis? Well, I went 18 miles out of there and visited my mother, who is alive yet, thank God.

And the next day I left there.

Mr. KENNEDY. Did you cash a check in Minneapolis?

Mr. CLANCY. I don't remember whether I cashed a check in Minneapolis or not.

Mr. KENNEDY. Did Vandewark cash a check in Minneapolis?

Mr. CLANCY. I don't think I seen him cash it. Whether he did or not there, I am not sure.

Mr. KENNEDY. What did you go to Minneapolis for, if not to cash the check? To see your mother?

Mr. CLANCY. Well, yes. When she gets up to 75 years old, you know, we all like to see her occasionally. That was the first time in quite a few years. I went up and seen her overnight while I was there.

Mr. KENNEDY. Then where did you go?

Mr. CLANCY. Well, the next day, July 16, Minneapolis to Denver. The time was 4 hours. We stopped in Denver.

That was direct, right across from Minneapolis to Denver. We stopped in Denver and the book shows I did not leave there until the 17th, so I evidently stayed there overnight.

Mr. KENNEDY. What did you do in Denver?

Mr. CLANCY. I believe I cashed that other check there. I am not sure now. I would have to see the record. But I cashed two of them, and that is probably where I cashed that one. I am not sure.

Mr. KENNEDY. What did you do with that money?

Mr. CLANCY. I am not to San Francisco yet.

Mr. KENNEDY. What did you do with the money after you cashed the check?

Mr. CLANCY. I guess I put it in my pocket, I suppose. That would be the procedure.

Mr. KENNEDY. Then where did you go?

Mr. CLANCY. Pardon me. Denver to Reno. On the 17th, Denver to Reno, 5 hours and 20 minutes. I was not getting any help there. In 5 hours and 20 minutes I went into Reno, Denever to Reno, 5 hours and 20 minutes.

Mr. KENNEDY. What did you do in Reno?

Mr. CLANCY. Well, it looks like I stayed overnight there.

Mr. KENNEDY. Did Mr. Vandewark cash a check in Reno?

Mr. CLANCY. I don't know. I don't remember. I couldn't say.

Mr. KENNEDY. But that was the purpose of stopping in these places, to cash the checks, was it not?

Mr. CLANCY. Well, I don't gamble, so I probably wouldn't have stopped in Reno for any other purpose, unless I went in there for gas. I had to stop in Reno for gasoline, because I have 5 hours and 20 minutes here, and I only have 6 hours and 15 minutes in the airplane, so I would have had to have gone in there for gasoline. But I stayed overnight. Why, I don't remember.

Mr. KENNEDY. Where did you go after Reno?

Mr. CLANCY. Reno? It looks like on the 18th I dug out of there and went into Salt Lake City, 1 hour and 15 minutes, which is normal.

Mr. KENNEDY. How long did you stay in Salt Lake City?

Mr. CLANCY. I mean San Francisco instead of Salt Lake City; 1 hour and 15 minutes.

Mr. KENNEDY. What did you do when you got to San Francisco?

Mr. CLANCY. On the 18th? I don't remember. Probably went to—well, I don't remember what time I got in there, Mr. Kennedy.

Mr. KENNEDY. Mr. Clancy, you had \$4,000 or approximately \$4,000 in cash on you at that time, did you not?

Mr. CLANCY. Yes, sir.

Mr. KENNEDY. You had \$4,000 in cash on you at that time? That is, approximately.

Mr. CLANCY. Well, I might have spent a little. I might not have had quite that much on me.

Mr. KENNEDY. What did you do with what was left of the \$4,000?

Mr. CLANCY. Well, what was left of the—I wouldn't say if it was that day or the next day, I don't remember, but myself and Brother Vandewark and Brother Mathews went into Brother Swanson's office and turned over—I believe there was all told nine thousand nine hundred and some dollars.

Mr. KENNEDY. About \$9,900?

Mr. CLANCY. I know we got hell, he figured we spent too much money.

Mr. KENNEDY. You turned over \$9,900?

Mr. CLANCY. We turned over \$9,900 and——

Mr. KENNEDY. You told me yesterday you turned over \$9,500.

Mr. CLANCY. Well, we spent in the neighborhood of four hundred and some dollars.

Mr. KENNEDY. Then why did you say now you turned over \$9,900?

Mr. CLANCY. I guess I got my 9's mixed up, Bob.

Mr. KENNEDY. So you turned over \$9,500?

Mr. CLANCY. That is right, approximately.

Mr. KENNEDY. In cash?

Mr. CLANCY. Yes.

Mr. KENNEDY. Did you turn it over to Mr. Swanson?

Mr. CLANCY. That is right.

Mr. KENNEDY. The purpose of the trip was to cash the five \$2,000 checks; is that right?

Mr. CLANCY. Yes.

Mr. KENNEDY. You went to the various cities in order to make it appear that you were doing work in these various cities for the union?

Mr. CLANCY. Yes.

Mr. KENNEDY. And you didn't want to get them all cashed in the city of San Francisco because that might arouse some suspicion; is that right?

Mr. CLANCY. Well, they were used in our campaign money, presumably, in the election.

Senator CURTIS. Upon whom were these checks drawn?

Mr. CLANCY. Sir?

Senator CURTIS. Upon whom were these checks drawn?

Mr. CLANCY. On who?

Senator CURTIS. Yes. Whose money was it?

Mr. CLANCY. Operating Engineers Local No. 3.

Senator CURTIS. Some more of the union's money, along with the workers'; is that right?

Mr. CLANCY. It was local No. 3's money; yes.

Senator CURTIS. Were there warrants drawn for each one of these checks?

Mr. CLANCY. I don't believe there were any warrants for that account. No; I don't think so.

Senator CURTIS. Who paid the expense of the trip?

Mr. CLANCY. Do you mean for our hotels and that stuff?

Senator CURTIS. Yes.

Mr. CLANCY. We done it out of these moneys that we cashed.

Senator CURTIS. How was the plane expense paid?

Mr. CLANCY. By the local.

Senator CURTIS. You took this money that belonged to the union, belonged to the workers, and you planned and covered several cities so that you could cash these checks in a way that would deceive what was going on. Then you gave the money to Mr. Swanson. What was he going to use it for?

Mr. CLANCY. On a campaign in the election, I think. That is what I was told.

Senator CURTIS. Campaign for what?

Mr. CLANCY. For the election of international officers.

Senator CURTIS. In other words, to reelect him and his crowd; is that right?

Mr. CLANCY. Well, it wouldn't reelect him. He didn't have any opposition. I think it was to reelect some other friends of his, probably.

Senator CURTIS. Had the election already been held when you made this trip?

Mr. CLANCY. The nominations had been held. The ballots wasn't in, I don't believe.

Mr. KENNEDY. As far as local No. 3 was concerned, the election had already been held at the time you started out on your expedition?

Mr. CLANCY. The campaigning throughout the country, the election, the ballots for the international union, I don't believe were in.

Mr. KENNEDY. But the local election there, the local election in Minneapolis and in a number of other places had already been held.

Mr. CLANCY. Were they held in Los Angeles and in all the places? That I don't know, whether they were held yet or not. I don't know.

Senator CURTIS. What I want to know is if the elections had not been held, this was not a lawful expenditure of the union's money, was it? You had no right to take that money out of the treasury. You, of all people, the president of the union, gave it to certain people to campaign for a union office.

You had no right to do that, did you?

Mr. CLANCY. Well, I haven't got the records with me, but there might have been authorization to spend money in the election campaign. That I don't remember.

Senator CURTIS. It doesn't make any difference whether there was authorization in the record or not. You did not have any authority to do it, did you?

Mr. CLANCY. Well, if the membership authorized it, I would. Wouldn't I?

Senator CURTIS. If the membership authorized spending money to elect a slate for which there is no opposition, the fact remains that you had no business to take that money out of the union and spend it in that way. That is the reason you traveled over the country to hide your procedure, isn't that right?

Mr. CLANCY. I beg your pardon. There was opposition in the international election.

Senator CURTIS. Regardless of the opposition. That makes it all the worse. You had no business to take that money out of the union treasury and spend it for that purpose, did you?

Have you ever put that money back in the treasury? Did you, personally?

Mr. CLANCY. I never personally got any of it. How would I put it?

Senator CURTIS. I know, but you helped somebody else get it.

Mr. CLANCY. I didn't help them get it.

Senator CURTIS. I think you did. Have you returned any of this other money that you helped take out of the union treasury for non-union purposes, and in violation of law and of the rules?

Mr. CLANCY. What other money are you talking about, Senator?

Senator CURTIS. Well, for instance, this \$35,000 from these real estate transactions. You were head of the union, and during your time these officers enriched themselves to the tune of about \$58,000, and you buy land back from them so that the union suffers a loss and they are enriched. This is other people's money, but it does not seem to affect you at all. Your conscience does not prod you to return this, and neither does it prod you to resign and let somebody run the union that will not mishandle other people's money.

If this happened in other organizations, if this happened in business groups, if this happened among guardians and trustees the results would be very severe.

I do not know why there are a few union people in the country that think they are immune from all the law and from ethics.

Mr. CLANCY. No. 1, Mr. Senator, in answer, if I may, Mr. Chairman, No. 1, I wasn't the head. I had nothing to do with the drawing out. No. 2, on the other question, if this was some kind of a corporation, I probably wouldn't be here.

The CHAIRMAN. Well, you are here, so let's look at these checks. I hand you a series of 5 checks, dated July 6, 1956, in the amount of \$2,000 each, drawn by V. S. Swanson, P. E. Vandewark, and C. F. Mathews, on the account of local No. 3. Two of the checks are made payable to Pat Clancy; three of them are made payable to P. E. Vandewark, all drawn on the American Trust Co., San Francisco, Calif. The checks are numbered 325, 326, 327, 328, and 329. I ask you to examine these photostatic copies and state if you identify those checks as the photostatic copies of the checks totaling \$1,000 that you and Vandewark went out to cash on this tour.

(The documents were handed to the witness.)

The CHAIRMAN. It is \$10,000 that you and Mr. Vandewark went out to cash on this tour.

Mr. CLANCY. These two that I cash, I identify them, sir.

The CHAIRMAN. You identify those?

Mr. CLANCY. Yes.

The CHAIRMAN. You do not identify the others?

Mr. CLANCY. The others I have never had, and I do not know whether they are or not. I will identify mine, the ones I cashed.

The CHAIRMAN. Your two will be made exhibits 22 and 22A, for the record.

(The documents referred to were marked "Exhibits Nos. 22 and 22A" for reference and will be found in the appendix on pp. 7858-7859.)

The CHAIRMAN. Proceed.

Mr. KENNEDY. In answer to Senator Curtis' question, you said that this was authorized?

Mr. CLANCY. I said I thought it was, I believe, to get the record straight.

Mr. KENNEDY. You said you thought it was authorized?

Mr. CLANCY. I believe it was. I thought it was. I could be wrong. I believe it was.

The CHAIRMAN. Could you identify a copy of the minutes of your meeting of your local on July 3, 1956, 3 days before the checks were drawn?

Mr. CLANCY. Sir, I don't write the minutes.

The CHAIRMAN. I present them to you, and ask if, as president of the local, you can identify them, and if you are familiar with them. (The documents were handed to the witness.)

Mr. KENNEDY. Mr. Clancy, do you see anywhere in there that this \$10,000 was authorized?

Mr. CLANCY. No, I don't see anything in this. I am not familiar with the minutes. I don't write them.

The CHAIRMAN. Do you identify that as the minutes of your meeting?

Mr. CLANCY. That is the first time I have ever seen them. I don't write the minutes.

The CHAIRMAN. You don't write the minutes, you have somebody else to do that, but as president, you have some responsibility to know what is going on. Whether you accept it or not, you have it.

Mr. CLANCY. The Secretary takes and writes the minutes of the organization, and keeps them.

The CHAIRMAN. I understand, but you have some responsibility to see that they are kept correctly. I present you another photostatic copy of minutes of the meeting of July 3, 1956. It seems a double set of minutes were kept. I will ask you to see if you identify that set.

(The document was handed to the witness.)

Mr. CLANCY. It is the first time I have ever seen them.

The CHAIRMAN. Did they keep a double set of minutes in your local, one for the officers and one for the members?

Mr. CLANCY. Not to my knowledge. I don't have anything to do with the minutes of the organization, sir.

The CHAIRMAN. Apparently you don't have anything to do with any of it, where you should have, as president, and where your responsibility attaches.

Mr. CLANCY. You might be absolutely right there, Senator.

The CHAIRMAN. I believe I am.

Mr. KENNEDY. Mr. Chairman, I would like to point out that the fraudulent minutes, the minutes that were not kept by the secretary, have an item in there which authorizes the payment of the \$10,000.

The CHAIRMAN. Who procured these minutes?

Mr. GORDON. I did.

The CHAIRMAN. Take the witness chair.

TESTIMONY OF JOSEPH I. GORDON—Resumed

The CHAIRMAN. Mr. Gordon, did you examine the minutes of the meeting of July 3, 1956, of Local union 3?

Mr. GORDON. Yes, I did, sir.

The CHAIRMAN. I hand you two documents here, both purporting to be the minutes of that meeting of local union 3, on July 3, 1956. For purposes of identification, one is marked "A" and the other is marked "B." I will ask you to state if you identify those minutes, the two sets of minutes, and how you procured them, where you found them.

(The documents were handed to the witness.)

Mr. GORDON. Yes, I can identify these minutes.

The CHAIRMAN. Did you procure them?

Mr. GORDON. Yes. I procured them from the recording secretary's office.

The CHAIRMAN. From the recording secretary's office of local No. 3?

Mr. GORDON. Yes, sir.

The CHAIRMAN. Explain the difference in them.

Mr. GORDON. Well, the set that I have—

The CHAIRMAN. Those two may be made exhibits. The one marked "A" may be made exhibit No. 23, and the other one may be made exhibit No. 24, the one marked "B."

(The documents referred to were marked "Exhibits Nos. 23 and 24" for reference and will be found in the appendix on pp. 7860-7863.)

The CHAIRMAN. Proceed.

Mr. GORDON. The set that I have identified as A are the true minutes.

The CHAIRMAN. Those are the true minutes?

Mr. GORDON. Yes.

The CHAIRMAN. What do you mean by true minutes?

Mr. GORDON. They were shown to me as being the original minutes.

The CHAIRMAN. The one marked "A" was shown to you as being the original minutes by the recording secretary?

Mr. GORDON. Yes. And confirmed by the secretary to the recording secretary.

The CHAIRMAN. And confirmed by the secretary to the recording secretary?

Mr. GORDON. She types the minutes.

The CHAIRMAN. As being the official minutes of that meeting, they have been confirmed?

Mr. GORDON. Yes, sir.

The CHAIRMAN. All right.

Mr. GORDON. The second set, which I have identified as B, are the minutes that were forged.

The CHAIRMAN. Forged minutes?

Mr. GORDON. Yes, by adding an additional paragraph to it, inserting an additional paragraph.

The CHAIRMAN. What do you mean by forged? Do you mean it was changed or added to?

Mr. GORDON. They were altered.

The CHAIRMAN. It was altered?

Mr. GORDON. Yes, by making an addition to the original minutes.

The CHAIRMAN. What does the one marked "A," that you have identified, which is exhibit 23, show with respect to any \$10,000 authorization for the spending of \$10,000?

Mr. GORDON. I see no authorization for the spending of \$10,000 in A.

The CHAIRMAN. There is no authorization for the spending of \$10,000 in exhibit A?

Mr. GORDON. That is correct.

The CHAIRMAN. What does it show in B?

Mr. GORDON. I will read it:

Regularly moved and seconded that \$10,000 be allocated from the defense fund to be used in the international election, and that Brothers Clancy and Vandewark be directed to call on all of the locals they can reach in the time left before election; and that they be further directed to offer all the assistance to the locals in this election.

They have one more word, "Carried."

The CHAIRMAN. How do we know which are the true minutes?

Mr. GORDON. The original set, as I examined them, appeared to me to be the same typing as all the other sets. I looked through many, many minutes, to see if it was the same typewriter. In this second set, even as we duplicated it, it is easy to see that it is reproduced on a different typewriter.

The CHAIRMAN. Reproduced on a different typewriter with this statement added to it?

Mr. CLANCY. Yes.

The CHAIRMAN. Otherwise, are the minutes identical?

Mr. GORDON. Identical.

The CHAIRMAN. Otherwise they are identical. But after the meeting, apparently, reference to the \$10,000 was either deleted from the set or a new set of minutes was written up, and it was added.

Mr. GORDON. I want to make one little correction, Mr. Chairman. I noted at the bottom of the original set of minutes there were the initials "CFM," whom I know to be Clarence F. Mathews, recording secretary.

The CHAIRMAN. That was on A?

Mr. GORDON. On A, the original minutes.

The CHAIRMAN. He had approved A as being the correct minutes?

Mr. GORDON. Yes, sir.

The CHAIRMAN. It is only a one-sheet record of minutes; is that correct?

Mr. GORDON. It is a two-sheet record.

The CHAIRMAN. All right. Is there anything else? Let me ask you this question, Mr. Gordon—well, I will hold that.

TESTIMONY OF PATRICK W. CLANCY—Resumed

Mr. KENNEDY. Mr. Clancy, why did you participate in this fraud on your union?

Mr. CLANCY. What fraud?

Mr. KENNEDY. You do not see that there was a fraud on the union? You do not see that at all? That is, your taking these checks, this \$10,000, and flying around the country in order to cash them, and make it appear to the membership that you were doing work in taking this money and cashing it?

Mr. CLANCY. I was just working there, Mr. Kennedy.

Mr. KENNEDY. But you didn't have to get into the plane and fly.

Mr. CLANCY. I was working for the local union.

Mr. KENNEDY. You don't have to do anything dishonest, Mr. Clancy, by the mere fact that you were working for the union.

Mr. CLANCY. How did I know that there was going to be anything dishonest? You haven't proved yet that there was anything dishonest about it.

Mr. KENNEDY. According to your testimony you said it was dishonest. You said the reason you went around there was to cash checks in various places so that it would appear that you were doing work in those various areas.

Mr. CLANCY. I beg your pardon, Mr. Kennedy. I didn't understand that it had been established yet how Mr. Swanson used that money that we turned over to him.

Mr. KENNEDY. You say that you turned it over to him. According to the information we have, this money came into your possession; you got the money. Now you say you turned it over to somebody else.

What evidence do you have of that?

Mr. CLANCY. I have an affidavit with two witnesses that I gave it to him.

Mr. KENNEDY. Yes; but the other people participate in it. May be made thing. Mr. Vandewark also went around there and Nos. 23 and 24" checks.

THE CHAIRMAN
Mr. Gordon
Provision or
The Clancy
reference

The CHAIRMAN. What did Mr. Swanson say about it? Does he acknowledge that you gave him the money?

Mr. CLANCY. I suppose he will. I can't answer for him. He is quite capable of answering for himself.

Mr. KENNEDY. What did he do with the \$10,000?

Mr. CLANCY. It was supposedly to be used—I beg your pardon. It wasn't quite 10.

Mr. KENNEDY. Nine thousand five hundred dollars?

Mr. CLANCY. It is less than that. We will—

The CHAIRMAN. We will not quibble over the difference between \$10,000 and \$9,500 and concede that \$500 was spent.

Mr. KENNEDY. What did he do with it?

Mr. CLANCY. I don't know exactly. I didn't see it. As far as I know, he spent it in the election.

Mr. KENNEDY. How do you know what he did with it?

Mr. CLANCY. I was told, that is all.

Mr. KENNEDY. Mr. Clancy, don't you understand that you had a responsibility to the membership? Whether you kept the money or not, you still had a responsibility to the membership regarding their funds. Don't you understand that at all?

You don't understand that one single bit, Mr. Clancy?

Senator GOLDWATER. How would Mr. Swanson use \$10,000 in the election of officers for your local?

Mr. CLANCY. It wasn't in the officers for the local, Senator Goldwater.

Senator GOLDWATER. Well, then, in the international, how would he do it?

Mr. CLANCY. I don't want to go into any elaboration on this, but there was a time when there were fellows running for international office that had automobiles and hired men to go around through the various areas campaigning, something like a politician campaign. He gets out in the country and meets the grassroots people. Well, that is what they have to do.

Senator GOLDWATER. Let me ask you: Did you pay the expenses of all the candidates for office?

Mr. CLANCY. Did who? Did we?

Senator GOLDWATER. Yes.

Mr. CLANCY. Who Mr. Swanson paid—

Senator GOLDWATER. Let me put it another way. Let's say there was an opposition ticket, and both tickets were members of your union. Did you pay both tickets' expenses or just one?

Mr. CLANCY. Well, I believe there was only 1 or 2 men involved, and I believe that is where it was spent.

Senator GOLDWATER. Were these the handpicked candidates of the union?

Mr. CLANCY. I don't understand.

Senator GOLDWATER. What I said, handpicked candidates.

Mr. CLANCY. From the union or the international?

Senator GOLDWATER. From the union, the international, whoever holding the election. I understand it was the international.

Mr. CLANCY. It was an international election. There was opposition and he was backing one of the candidates. Or more. One or

Senator GOLDWATER. Then the union was spending money to support one candidate but not the other?

Mr. CLANCY. He was, yes.

Senator GOLDWATER. Did you ask your membership if you could back this one candidate with their dues money?

Mr. CLANCY. I don't remember whether they said or not. If they could have been—I don't know. It could have been done. I don't remember.

Senator GOLDWATER. It doesn't show, I am informed, that you asked the membership. Is that customary in your international for the officers to pick the candidates and then take dues money and back them?

Mr. CLANCY. I don't know. The international doesn't take any dues money to back anybody in the international union.

Senator GOLDWATER. You just admitted that you do. You said the \$10,000 went for politics, that it went to pay car expenses and traveling expenses of candidates. If that is not backing, I do not know what it is.

Mr. CLANCY. Well, it didn't come from the international union, sir.

Senator GOLDWATER. It came from union funds, it came from union funds, it came from members.

Mr. CLANCY. From the local union, not the international.

Senator GOLDWATER. It came from dues. I don't care whether you got it out of the general fund of the international, or the general funds of the local. Is that the customary thing to do in your local or in your international?

Mr. CLANCY. That I don't know.

Senator GOLDWATER. You ought to know that. You have been president of this thing since 1941. Do they back you with dues money? Let's say when you are running for election, do you get your expense money out of the union dues?

Mr. CLANCY. Well, no. I am working as a business representative for the union. Sometimes I have to really hustle.

Senator GOLDWATER. There is no question about that. That is evident. But do you have your expenses paid during the course of the campaign, with union funds?

Mr. CLANCY. My expenses paid in the course of the campaign?

Senator GOLDWATER. That is right. You are running for president, and you have your car, you have expenses that you incur in the course of running. Who pays those expenses?

Mr. CLANCY. Senator Goldwater, when I am working as an agent in the district, taking care of the wants of the membership, working for them, and I contact them, naturally I will do the same as any other man running for office. I will say "Brother, when election comes up, give me a vote," and probably shake hands with him.

Senator GOLDWATER. I am not talking about that. I am talking about who pays your expenses when you are doing this, when you are out campaigning, not when you are out doing your business.

Mr. CLANCY. I don't have any other times to campaign, except while I am working as a business agent, as I see, as I go around and meet the different boys.

Senator GOLDWATER. Then any extra expenses you would have would come out of the union funds?

Mr. CLANCY. There wouldn't be any extra expenses.

Senator GOLDWATER. I have one more question. Do the union members ever have a chance to run anybody against you?

Mr. CLANCY. Yes, Mr. Goldwater, they have an opportunity when the nomination of officers occurs. Any member of the 22,000 is eligible to be nominated and run against me.

Senator GOLDWATER. Is that done in a convention?

Mr. CLANCY. That is done in our local union. The local union doesn't hold a convention. It is done at an advertised meeting, which all the members know, it is an advertised meeting when the nominations are held, and the election is held then, say, next month.

Senator GOLDWATER. How many times since 1941 has someone run against you?

Mr. CLANCY. I don't remember, Senator Goldwater, because our first few terms was for 2 years. Then the membership voted to give us a 4-year term which, I believe, is—well, I think it is one term or two we have had a 4-year term. I don't remember how many times I have had no opposition. But, frankly, sir, I would like to have opposition, because it stirs up interest in the election and gets the boys out to vote.

Senator GOLDWATER. Then you see nothing wrong with taking \$10,000 of union dues to back candidates of your particular choosing, regardless of the wishes of the membership?

Mr. CLANCY. No. 1, I didn't take \$10,000 to back a candidate of my wishing.

Senator GOLDWATER. Well, Mr. Swanson got \$10,000 or approximately \$10,000 from you fellows who traveled around the United States cashing checks, and you say it was for the purpose of campaign expenses. You said that.

You have admitted that. Do you think that is right, whether you did it or Mr. Swanson did it? You can answer that question.

Mr. CLANCY. Well, I don't know, Senator, whether it would be or not. I would have to think of it. It all depends.

Senator GOLDWATER. You ought to know that. You are a grown man. You know what right and wrong are.

Mr. CLANCY. That is right.

Senator GOLDWATER. Is right or wrong?

Mr. CLANCY. Well, I don't think I know at the present minute.

Senator GOLDWATER. Do you think you might find out?

Mr. CLANCY. Yes.

Senator GOLDWATER. When you find out, would you let me know?

Mr. CLANCY. I will. It might be helpful in other campaigns that I run in. If I run in a campaign again for election, it might be helpful, what I think about it.

Senator CURTIS. If it was right, how come you didn't cash the checks right there in San Francisco?

Mr. CLANCY. It was to campaign.

The CHAIRMAN. You were campaigning to get this money without disclosing the fact that you had taken it from the local, that is the truth about it, isn't it?

That was the campaign and that was the whole mission?

Mr. CLANCY. I wouldn't say that, Senator. I wouldn't say that at all.

The CHAIRMAN. Except that you didn't cover it up sufficiently so that it couldn't be discovered. There could not be an explanation of

taking a plane, and flying around to different cities, cashing \$2,000 checks, where you could walk down to the bank and cash them, if there wasn't something concealed about the whole transaction. That is obvious.

Senator CURTIS. Was this man that the money was turned over to, \$9,500, one of the same individuals that profited in the real-estate transaction?

Mr. KENNEDY. Again, it was Mr. Clancy who said he turned it over. Actually, it was Mr. Clancy who drew the money and took the plane. Whether he turned it over remains to be seen.

Senator CURTIS. There is no evidence produced that it was even spent for campaigning for office.

Mr. KENNEDY. Where they went, Senator, the elections were already over, and the ballots had to be in within 5 or 6 days after they got back to San Francisco. The election had been over before they left in local No. 3, in San Francisco.

Senator CURTIS. And they turned the money over after they finished the trip, the \$9,500 to be used in the campaign.

Mr. KENNEDY. That is right.

Senator CURTIS. It looks like Mr. Clancy, you helped somebody get some money out of the union that was not even used for campaign expenses.

Mr. KENNEDY. Would he identify this check, Mr. Chairman?

The CHAIRMAN. I present you another check dated March 25, 1956, signed by P. E. Vandewark, E. F. Mathews, and Victor S. Swanson, on the funds of the Operating Engineers Local No. 3, and drawn on the American Trust Co., San Francisco, Calif., and made payable to American Trust Co., in the amount of \$10,000. It is check No. 321. I ask you to examine this check and state if you identify it.

(The document was handed to the witness.)

Mr. CLANCY. I can't say that I ever seen it before, Senator.

(Members of the committee present at this point were Senators McClellan, Goldwater, and Curtis.)

The CHAIRMAN. You cannot say that you ever saw it before?

Mr. CLANCY. No.

Mr. KENNEDY. Did you know of a \$10,000 check that was cashed in order to "promote the pension fund"?

Mr. CLANCY. Pardon me. Let me see the date of that check? It is March 25 of 1956. That must have been when the delegates for the convention were in Chicago. That is probably what you are referring to.

If you will tell me those things, Mr. Kennedy, it would refresh my memory. That is probably what it was, Mr. Kennedy.

Mr. KENNEDY. What was the \$10,000 for?

Mr. CLANCY. I don't know what that was for.

Mr. KENNEDY. Did you have a \$10,000 check that was cashed in order to promote the pension fund? Do you know anything about that?

Mr. CLANCY. There was some money drawn.

Mr. KENNEDY. Did you receive any money in order to promote the pension fund?

Mr. CLANCY. I received some money in Chicago as expenses and such at the convention.

Now that was probably or that might have come from that, I don't know.

Mr. KENNEDY. You received your regular expenses while you were in Chicago. You got your hotel bill paid, and any of your other regular expenses; is that correct?

Mr. CLANCY. And expenses paid; yes.

Mr. KENNEDY. And your transportation, and you were paid by the union; were you not?

Mr. CLANCY. Yes.

Mr. KENNEDY. In addition to that, did you receive any other monies while in Chicago or prior to going to Chicago, which was to be used to promote the pension fund?

Mr. CLANCY. Yes, Mr. Kennedy. I was in Chicago, I believe the records will show.

Mr. KENNEDY. Just answer the questions, Mr. Clancy.

Mr. CLANCY. About 2 weeks before the convention, I believe, that I got three or four hundred dollars, a check to cover my additional expenses.

Mr. KENNEDY. What was the purpose of that?

Mr. CLANCY. In line with my expenses in Chicago.

Mr. KENNEDY. Now you got your regular expenses, Mr. Clancy, and this is not for your regular expenses. I am asking you if you got anything above your regular expenses for any special purpose while in Chicago?

Mr. CLANCY. Like entertaining and that stuff; yes; I believe I did.

Mr. KENNEDY. What was that for?

Mr. CLANCY. Entertaining and champagne. I guess you have got a word "lobbying," maybe, for it.

Mr. KENNEDY. What were you lobbying for?

Mr. CLANCY. To get a pension. I am getting old.

Mr. KENNEDY. How much money did you get for lobbying for the pension fund?

Mr. CLANCY. I believe that I got a check for \$400. I am not sure now, but I believe it was.

Mr. KENNEDY. Is that all that you received?

Mr. CLANCY. I don't remember now, and I believe it was. I do not remember.

Mr. KENNEDY. For your other regular expenses, did you submit vouchers showing how much money you had used and spent for entertainment, for dinner, for hotels, and so on? Did you submit regular vouchers for that?

Mr. CLANCY. I don't believe so. I don't think that I did.

Mr. KENNEDY. You just got your regular expenses?

Mr. CLANCY. I got expenses.

Mr. KENNEDY. Without submitting any vouchers at all?

Mr. CLANCY. Extra expenses.

Mr. KENNEDY. This is about this extra \$400. What about your regular expenses, Mr. Clancy?

Mr. CLANCY. Thank you, I know that was \$400, because that refreshed my memory, and I thought that is what it was. Thank you, Bob.

Mr. KENNEDY. What about your regular expenses, Mr. Clancy? Did you submit some vouchers for that?

Mr. CLANCY. I may and I may not, and I don't remember. It has been quite a while back.

Mr. KENNEDY. But you got \$400 above your regular expenses in order to promote the pension fund?

Mr. CLANCY. I am sorry, Mr. Chairman, the record will show that I was there a couple of weeks early, and I was, let us say I was campaigning to get a pension.

Mr. KENNEDY. Who were you campaigning with?

Mr. CLANCY. Well, the delegates that were coming in, various delegates.

Mr. KENNEDY. Did you find much opposition to the pension among the delegates?

Mr. CLANCY. Yes; there was some. There was some.

Mr. KENNEDY. What was the final vote on the pension?

Mr. CLANCY. I couldn't tell you now, and I don't remember.

Mr. KENNEDY. What sort of lobbying work did you do among the delegates?

Mr. CLANCY. Well, I would maybe take 1 or 2 out, and take them to dinner, and the ones that were in opposition or maybe wanted a pension that I believe we wouldn't be able to get or get a reasonable pension, a sensible one, let us put it that way.

Mr. KENNEDY. Did your local No. 3 authorize a sum of money to be spent in order to promote the pension?

Mr. CLANCY. I believe they did.

Mr. KENNEDY. You are incredible, Mr. Clancy.

Mr. CLANCY. Why do you say that?

Mr. KENNEDY. You just do not know anything or you act as if you didn't know anything.

Mr. CLANCY. Well, they have always said I was a stupid Irishman, and maybe I am, Bob.

Mr. KENNEDY. Do you know whether the union authorized \$10,000 in order to promote the pension fund?

That is your local, Mr. Clancy's local, of which Mr. Clancy is president.

Mr. CLANCY. Don't call it my local. I don't own it, and I just work there, Mr. Kennedy. I don't own it.

The CHAIRMAN. If that is not your local, you do not have one, do you?

Mr. CLANCY. I just work there.

The CHAIRMAN. Then you do not have any local, if that is not your local.

Mr. CLANCY. I don't own it, sir.

The CHAIRMAN. Apparently a few of you own it.

Mr. CLANCY. I don't, sir.

Mr. KENNEDY. Did they authorize \$10,000 to be used to promote the pension fund?

Mr. CLANCY. At this moment, I don't remember. I think so, but I don't remember absolutely.

Mr. KENNEDY. This is 1956, and this is not very long ago.

You do not remember that? You do not remember \$10,000? Is that your testimony, Mr. Clancy? Either you are stupid or dishonest, Mr. Clancy. You have to be, because this is \$10,000 from a union of which you were president.

Mr. CLANCY. I am not dishonest, Mr. Kennedy. I am not an attorney, and there are lots of words that I don't quite understand.

The CHAIRMAN. You understand the word "check," do you not?

Mr. CLANCY. Yes.

The CHAIRMAN. You understand the word "check"?

Mr. CLANCY. Yes.

The CHAIRMAN. And you understand what you mean by "authorizing an expenditure", do you not?

Mr. CLANCY. Sir, I am wondering if the local union authorized the expenditures of moneys to forward the pension plan. I am not sure if they authorized any certain amount. We have attorneys here waiting to hook a man if he makes one lousy bad word, and they will say "He said this" and "He said that," and I am not an attorney. I haven't money enough to hire a counsel to sit here.

The CHAIRMAN. You do not need an attorney to tell us what you know.

Mr. CLANCY. It seems like you do.

The CHAIRMAN. What would he know about it that you would not know?

Mr. CLANCY. You have got to weigh your words, and I don't know whether you are an attorney or not, but you have got to weigh your words, and I can't weigh them.

The CHAIRMAN. This is not a weighty word, to say that your union authorized the expenditure of \$10,000 to promote the pension fund. What is weighty about that?

Mr. CLANCY. I said that I didn't recall whether they did that, and Mr. Kennedy tells me that he thinks I am stupid.

Mr. KENNEDY. I gave you an alternative.

Mr. CLANCY. Thank you, I appreciate that, Mr. Kennedy. I appreciate that.

Mr. KENNEDY. Did you have any discussion about promoting the pension fund?

Mr. CLANCY. We have been talking about a pension ever since I was a boy.

Mr. KENNEDY. Did you have any discussion about using union money in order to promote the pension fund?

Mr. CLANCY. We probably did, because we were all interested in a pension, which every workingman is.

The CHAIRMAN. Mr. Clancy, this is just the year before last, and you testified about your duties as president, to preside at the meetings. Who else would know better than the president who is presiding at the meetings as to what motions were made and what was discussed at that meeting.

According to the minutes we have here, you were presiding at the meeting on March 14, 1956, less than 2 years ago.

Mr. CLANCY. The only question, sir, in my mind is this: I know that there was discussion regarding a pension. Now, the only question in my mind is whether there was a motion made to take a certain amount of money to forward the pension or whether it was just for moneys to be drawn to forward a pension. I don't know which.

Mr. KENNEDY. You remember there was some discussion?

Mr. CLANCY. There has been discussion for pensions for a long time, Mr. Kennedy, at various meetings. There has been discussion, and, in fact, there was discussion at our last meeting about a pension.

Mr. KENNEDY. Was it decided or was there a motion made that you should use the funds of the union to promote the pension fund?

Mr. CLANCY. I don't remember all of the motions that have been made.

Mr. KENNEDY. How much money did you receive for promoting the pension fund?

Mr. CLANCY. I believe there is a check for \$400.

Mr. KENNEDY. Did you receive any other money in addition to that?

Mr. CLANCY. I don't remember if I did. Now, I could have, but I don't remember.

Mr. KENNEDY. Do you think it is possible that you might have received a little bit more than that?

Mr. CLANCY. I don't know.

Mr. KENNEDY. You do not know?

Mr. CLANCY. No, I don't remember whether I did or not.

The CHAIRMAN. Do you identify this check as the \$400 check that you received for promoting the pension fund?

(A document was handed to the witness.)

Mr. CLANCY. Yes, it is.

The CHAIRMAN. That check may be made exhibit No. 25.

(Document referred to was marked "Exhibit No. 25" for reference and will be found in the appendix on p. 7864.)

Mr. KENNEDY. You do not remember receiving any other moneys from that?

Mr. CLANCY. I don't remember, Bob, no.

Mr. KENNEDY. When you were in San Francisco, you did not receive another \$1,000?

Mr. CLANCY. Not that I remember.

Mr. KENNEDY. Did you receive 2 of the \$500 cashier's checks made out to Victor Swanson, and cashed by you, on April 25, 1956?

Mr. CLANCY. Not that I remember of now.

Mr. KENNEDY. And one on April 25, 1956, and another on April 30, 1956?

Mr. CLANCY. I don't remember if I did, Mr. Kennedy. I don't remember. I could have, but I don't remember them.

Mr. KENNEDY. I want to ask you about one other matter. Do you know what a check for \$10,000—this is the third one, on January 24, 1955—was used for? Do you know what the "construction stiffs" are?

Mr. CLANCY. Oh, yes.

Mr. KENNEDY. What are the "construction stiffs"?

Mr. CLANCY. Well, that was an organization throughout California.

Mr. KENNEDY. What were they trying to promote? What were they trying to do and who were they criticizing?

Mr. CLANCY. Well, they were criticizing practically everyone.

Mr. KENNEDY. All of the union officials of local No. 3?

Mr. CLANCY. Yes, they all gave us honorable mention occasionally.

Mr. KENNEDY. They produced a newspaper, did they?

Mr. CLANCY. Well, not exactly a newspaper. I wouldn't call it that.

Mr. KENNEDY. A mimeographed sheet?

Mr. CLANCY. Yes, and I believe that Mr. Salinger has some.

Mr. KENNEDY. And it was called the Construction Stiffs News?

Mr. CLANCY. Yes, sir.

Mr. KENNEDY. They were very critical of the union officials that were operating Local No. 3, of the Operating Engineers, is that right?

Mr. CLANCY. Well, I believe they criticized me a little bit, occasionally, and not too much.

Mr. KENNEDY. They were the rank and file members of the union?

Mr. CLANCY. That is right.

Mr. KENNEDY. And they were critical of your leadership, that you and the other officials were giving to the local?

Mr. CLANCY. Well, not of my leadership.

Mr. KENNEDY. They were critical of you among others?

Mr. CLANCY. Not very often, I don't think.

Mr. KENNEDY. But occasionally they were critical of Mr. Clancy?

Mr. CLANCY. They took a shot at me maybe once in a while, a little one, you know, just to keep it interesting.

Mr. KENNEDY. Did you think it was necessary to try to investigate them?

Mr. CLANCY. Well, yes, I believe we did at one time.

Mr. KENNEDY. So what did you decide to do then?

Mr. CLANCY. There was a story that they were mixed with Commies and a few more things, and I believe that that entered into it.

Mr. KENNEDY. You wanted to try to get the Communists?

Mr. CLANCY. No, that entered into the picture, I believe, that they were. Now, whether they were or not, I don't know.

Mr. KENNEDY. What did you do?

Mr. CLANCY. Well, we had an investigation, and in investigating them our business manager—

Mr. KENNEDY. Did you all kick in a little of your own personal money to investigate them?

Mr. CLANCY. I don't remember whether I did or not, any personal money.

Mr. KENNEDY. You didn't use any union money, did you? You wouldn't do anything like that?

Mr. CLANCY. If they were after the organization, why I would presume that the organization would.

Mr. KENNEDY. About \$10,000?

Mr. CLANCY. I don't remember what it was now, I could not say.

Mr. KENNEDY. I cannot hear you very well.

Mr. CLANCY. I was trying to think. Pardon me, I was kind of thinking out loud, Mr. Kennedy.

Mr. KENNEDY. Did the leadership authorize a drawing of \$10,000 on January 24, 1955, in order to investigate and to fight the "construction stiffs"?

Do you remember that, Mr. Clancy?

Mr. CLANCY. I believe that our business manager did. He took care of those matters.

Mr. KENNEDY. Who was that?

Mr. CLANCY. Victor S. Swanson.

Mr. KENNEDY. This is Mr. Swanson again.

Mr. CLANCY. Yes, sir; I am awfully sorry. You took me on yesterday for bothering him and I want to apologize for having to use his name again.

The CHAIRMAN. I did not understand you.

Mr. CLANCY. I said I wanted to apologize for having to use his name again today.

The CHAIRMAN. Who took you on yesterday?

Mr. CLANCY. Bob did not like it mentioned yesterday, and he said I was blaming him, and I am awfully sorry.

The CHAIRMAN. You are not blaming Swanson then.

Mr. CLANCY. No, but they said I was, and so I am awfully sorry I had to mention him again today.

The CHAIRMAN. Any time you feel that you should mention him, it will be all right.

Mr. CLANCY. Thank you, Senator.

Mr. KENNEDY. Tell me this: Of the payment of \$10,000 that was authorized under your leadership or under the direction of Mr. Swanson, did you receive any of that money?

Mr. CLANCY. Not that I know of.

Mr. KENNEDY. Now you would know. Are we going to go through this again?

Mr. CLANCY. Let us say "No; I did not."

Mr. KENNEDY. You did not receive any of that money?

Mr. CLANCY. Not that I know of, I did not receive any of it.

Mr. KENNEDY. You would know whether you received any. Did you receive any? Mr. Clancy, did you receive any of that money? What is your answer?

Mr. CLANCY. How do you mean it? Did I receive it for my own use, or to use it?

Mr. KENNEDY. Either way.

Did you receive it for your own use or to use it?

Mr. CLANCY. I don't remember now whether I did or not.

Mr. KENNEDY. Now, Mr. Clancy, this is a lot of money, this is union members' dues, and did you receive any of the money for your own use or for any other use?

Mr. CLANCY. I don't remember whether I did or not, Mr. Kennedy. Now, I might have received \$35 or \$10 to have done something or to go and get a letter written or something else, and I am not sure.

Mr. KENNEDY. Ten dollars to do what? What were you going to do with the \$10?

Mr. CLANCY. I never know, buy a bulletin or stamps or something, and you never know.

Mr. KENNEDY. What were you going to buy the postage stamps for?

Mr. CLANCY. If you would mail letters out.

Mr. KENNEDY. For the investigation of the "construction stiff's"?

Mr. CLANCY. Yes, sir.

Mr. KENNEDY. To whom were you going to mail the letters?

Mr. CLANCY. They were investigating, and supposed to be investigating.

Mr. KENNEDY. To whom were you mailing letters?

Mr. CLANCY. Well, I don't know. I just say it could have been. I am not saying that it was, but it could have been.

Mr. KENNEDY. Other than the \$10 to buy the postage stamps, did you receive any other money?

Mr. CLANCY. No; not that I know of.

Mr. KENNEDY. You did not?

Mr. CLANCY. Not that I know of.

Mr. KENNEDY. You would know, and nobody would know better than Mr. Clancy whether he received any money or not.

Mr. CLANCY. Not that I know of.

Mr. KENNEDY. You cannot tell us "yes" or "no" on it?

Did you do any work against the "construction stiff's"?

Mr. CLANCY. Yes; I believe there was some work done.

Mr. KENNEDY. What did you do?

Mr. CLANCY. Well, campaigning against them, let us put it that way.

Mr. KENNEDY. How did you campaign against them?

Mr. CLANCY. I went out to spread the gospel.

Mr. KENNEDY. How did you do that?

Mr. CLANCY. Among the membership.

Mr. KENNEDY. Would that cost money, Mr. Clancy?

Mr. CLANCY. It probably did.

Mr. KENNEDY. Did you get paid for doing that?

Mr. CLANCY. Well, I am working for the local.

Mr. KENNEDY. Did you get extra money for doing that?

Mr. CLANCY. Not that I remember of.

Mr. KENNEDY. You would remember, Mr. Clancy.

It is not a very satisfactory answer.

The CHAIRMAN. Did you submit bills to anyone for reimbursement for the work you did that you are speaking of, your campaigning, and spreading the gospel? Did you receive any money to reimburse you for expenses, out of this \$10,000 that was taken out of union dues for that purpose?

Mr. CLANCY. How long ago was that?

The CHAIRMAN. In 1955, 3 years ago.

Mr. CLANCY. In 1955, I don't remember.

The CHAIRMAN. It does not go so far back that the memory of man cannot retain it.

Mr. CLANCY. I don't remember.

The CHAIRMAN. Did you submit a bill for expenses?

Mr. CLANCY. I have at various times; I submitted bills at various times for things that I have purchased.

The CHAIRMAN. Do you recognize your signature, if you see it?

Mr. CLANCY. As a rule, I do.

The CHAIRMAN. Well, let us see if the rule works, or if this is an exception. I present you a photostatic copy of the bill that you submitted for your expenses out of this \$10,000 check.

(At this point a document was handed to the witness.)

The CHAIRMAN. Is that your signature?

Mr. CLANCY. Yes; I believe it is.

The CHAIRMAN. You believe it is?

Mr. CLANCY. Yes.

The CHAIRMAN. Does that refresh your memory to any degree?

Mr. CLANCY. Yes; to a certain degree it does, Senator.

The CHAIRMAN. I believe I have helped you a little then.

Mr. CLANCY. Thank you.

The CHAIRMAN. What is the total that you submitted the bill for there?

Mr. CLANCY. This total here, I would not say I submitted a bill for it, this total here is \$2,237, even.

The CHAIRMAN. \$2,237 even? Is that \$22.37?

Mr. CLANCY. No, \$2,237.

The CHAIRMAN. So that refreshes your memory a little?

Mr. CLANCY. Yes, sir.

The CHAIRMAN. Out of that \$10,000 then, you got that amount of money; did you?

Mr. CLANCY. No, sir.

The CHAIRMAN. What did you do with it? Did you get reimbursed for that?

Mr. CLANCY. No, sir.

The CHAIRMAN. Who got that money?

Mr. CLANCY. I never got a dime of it in my hands, that money.

The CHAIRMAN. Why did you sign that?

Who were you helping to get the money?

Mr. CLANCY. I was not helping anybody.

The CHAIRMAN. Somebody got it, and that is your signature?

Mr. CLANCY. One man did not want it to appear that he was spending all of the money to catch these people, and so those were submitted.

The CHAIRMAN. So you do remember all about it?

Mr. CLANCY. I mean to go out, I don't remember all about it, I am just telling you what it was.

The CHAIRMAN. Who told you to submit that bill?

Mr. CLANCY. I did not submit the bill. It was submitted to me.

The CHAIRMAN. Who told you to sign it?

Mr. CLANCY. The boss.

The CHAIRMAN. Who is the other boss?

Mr. CLANCY. What other boss are you talking about?

The CHAIRMAN. Didn't you say the other boss?

Mr. CLANCY. I said the boss.

The CHAIRMAN. Who is the boss?

Mr. CLANCY. Mr. Swanson was.

The CHAIRMAN. And did he prepare that and submit it to you to sign?

Mr. CLANCY. Right.

The CHAIRMAN. He prepared it and submitted it to you to sign?

Mr. CLANCY. I would not say he did it, because I doubt if he can run a typewriter, but he——

The CHAIRMAN. He had it prepared and brought it to you and told you to sign it?

Mr. CLANCY. I don't think that he told me. He asked me, and he said, "Here sign it, because I don't want it to be shown that I have spent all of the money."

The CHAIRMAN. So that is a fraud, and you did not make those trips, and you did not spend that money?

Mr. CLANCY. And I did not receive any of the money.

The CHAIRMAN. All right, that makes it a fraud. You did not get the money, and you did not spend the money, but you signed that so that someone else could get it?

Mr. CLANCY. He spent it, doing what he was supposed to do with it.

The CHAIRMAN. That will be made exhibit No. 26.

(The document referred to was marked "Exhibit No. 26" for reference, and will be found in the appendix on p. 7865.)

Mr. KENNEDY. Just in finishing up at least temporarily with you, Mr. Clancy, do you know a Louis Solari?

Mr. CLANCY. Yes.

Mr. KENNEDY. Do you know him?

Mr. CLANCY. Yes, he is one of the agents.

Mr. KENNEDY. From the Operating Engineers?

Mr. CLANCY. That is right.

Mr. KENNEDY. Do you remember having a conversation with him in December of 1956, regarding a jeep?

Mr. CLANCY. Regarding a jeep?

Mr. KENNEDY. Yes, regarding a jeep, or an automobile.

Mr. CLANCY. Go a little further and maybe I will if you will refresh my memory.

Mr. KENNEDY. Does the union have any jeeps?

Mr. CLANCY. They had one, and they have got one now.

Mr. KENNEDY. Do you remember having any conversation with Mr. Solari regarding a jeep in December of 1956?

Mr. CLANCY. I don't remember the date that I talked to him in December regarding the jeep.

Mr. KENNEDY. Do you remember having a conversation with him about the jeep?

Mr. CLANCY. I remember vaguely something about it once, because it came up later on and he asked about it.

Mr. KENNEDY. Did you ask him or tell him that you wanted the wheel and the tire off the jeep? Did you request that he report that this wheel and tire had been stolen so that you could take them for yourself?

Mr. CLANCY. I believe that I haven't got it with me, but I believe I have a letter from the same Mr. Solari, and that was a misunderstanding in a conversation. I remember it now, because I have a jeep, a pickup, and he had, I believe if you have his statement there, he had lost a spare tire I believe for it, or a spare tire and wheel possibly for a jeep that he was driving.

I believe that he asked me or said something to me about it, that he had lost it and that the sheriff had recovered it. I told him at the same time that we were repairing the airplane, that they were using a jeep that I purchased later on, and that a tire had been stolen off of the one that I purchased down there at the building that Mr. Gordon told you about a few minutes ago, and that the insurance company had replaced that one tire on that jeep for me.

I did not tell Mr. Solari to steal me a jeep or a tire or anything else.

Mr. KENNEDY. Did you ask him or tell him that he should report the tire and the wheel as being stolen, because you needed it for your own car?

Mr. CLANCY. No, sir. I said, "If you have lost it, all you have to do is to report it."

Mr. KENNEDY. What is that? Excuse me, I didn't hear you.

Mr. CLANCY. I said, "If you have lost it"—I was relating what happened to me when I lost one, and I said, "If you lost it, report it." And he said, "The sheriff has already found it for me." I believe that was the conversation.

Mr. KENNEDY. Did you tell him to report it? Or just answer the question, did you tell him to report that the wheel and the tire were stolen from the jeep, because you wanted them for yourself?

Mr. CLANCY. No; I did not want them. What would I want it for?

Mr. KENNEDY. You needed it at your prune ranch. Do you have a prune ranch?

Mr. CLANCY. I didn't need it there.

Mr. KENNEDY. Do you have a prune ranch?

Mr. CLANCY. I have a ranch, but the trees aren't producing prunes yet.

Mr. KENNEDY. But it is a prune ranch?

Mr. CLANCY. Well, it will be eventually, if I live long enough.

Mr. KENNEDY. You have a prune dehydrator that is working out there?

Mr. CLANCY. Yes, sir.

The CHAIRMAN. Let us answer the question positively now. Did you tell him that you wanted him to report it stolen so that you could take it for your own use?

Mr. CLANCY. No, sir.

The CHAIRMAN. You say that positively it is not true?

Mr. CLANCY. That is positively a misunderstanding, and I never told him any such thing.

The CHAIRMAN. You either told him or you did not. Did you tell him?

Mr. CLANCY. No.

Mr. KENNEDY. He did not tell you then that if he did report the wheel and tire as stolen, he would get in trouble and lose his job, and you said, "That is all right, I will take care of you"?

Mr. CLANCY. How could I take care of him?

Mr. KENNEDY. You did not?

Mr. CLANCY. No; I couldn't take care of him.

The CHAIRMAN. It is not a question of whether you could or not. Did you tell him that?

Mr. CLANCY. No.

The CHAIRMAN. All right, then, you did not tell him that.

Mr. CLANCY. No.

Mr. KENNEDY. Did he report the tire and wheel as stolen?

Mr. CLANCY. No, sir.

Mr. KENNEDY. Did he turn that tire and wheel over to you?

Mr. CLANCY. No, sir.

Mr. KENNEDY. He never did?

Mr. CLANCY. No, sir.

Mr. KENNEDY. So any statement that he made to the contrary is false, is that right?

Mr. CLANCY. I have his true statement of the misunderstanding.

Mr. KENNEDY. That is all for now.

We have one witness, and it will be quick.

The CHAIRMAN. Will you come around, Miss MacMillan, and will you be sworn? Do you solemnly swear that the evidence you shall give before this Senate select committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Miss MacMILLAN. I do.

TESTIMONY OF MISS LOIS MacMILLAN

The CHAIRMAN. State your name, and your place of residence, and your business or occupation.

MISS MACMILLAN. Lois MacMillan, and I live at 322 19th Avenue, San Francisco, Calif. I work for the Operating Engineers, Local No. 3, as secretary to Mr. Mathews, the recording secretary.

THE CHAIRMAN. Secretary to whom?

MISS MACMILLAN. Mr. Mathews, the recording secretary.

THE CHAIRMAN. Do you have counsel? Do you waive counsel?

MISS MACMILLAN. I don't understand that, but I guess I do.

THE CHAIRMAN. I do not want you to misunderstand. A witness coming before the committee has a right, if they desire, to have counsel present.

MISS MACMILLAN. I waive counsel.

THE CHAIRMAN. He would be to advise them about their legal rights.

MISS MACMILLAN. I waive counsel.

THE CHAIRMAN. Proceed.

MR. KENNEDY. Miss MacMillan, you have been with local No. 3 since what time?

MISS MACMILLAN. Since June of 1942.

MR. KENNEDY. And you have been secretary to Mr. Mathews, the recording secretary of local No. 3 for how long?

MISS MACMILLAN. Since August of 1942.

MR. KENNEDY. Did you take any part in the preparation of the minutes of the executive board of local No. 3?

MISS MACMILLAN. Yes. For the first year I was there I attended board meetings and the last 7 or 8 years, I have taken the minutes from Mr. Mathews. He has dictated the minutes to me.

MR. KENNEDY. What about the union membership meetings?

MISS MACMILLAN. I have not attended those. Only 1 or 2 special meetings.

MR. KENNEDY. Did you also make the minutes on those?

MISS MACMILLAN. The two meetings I was at, yes.

MR. KENNEDY. Any other minutes?

MISS MACMILLAN. Mr. Mathews would dictate them.

MR. KENNEDY. He would dictate the minutes for the meetings of the executive board and of the membership meetings to you, is that correct?

MISS MACMILLAN. That is correct.

MR. KENNEDY. That has been in the last 4 or 5 years?

MISS MACMILLAN. He has always dictated the regular membership meetings to me.

MR. KENNEDY. What practice did you follow as to writing up the minutes?

MISS MACMILLAN. Do you mean how many copies I would make?

MR. KENNEDY. Yes.

MISS MACMILLAN. I would make 3 copies, an original and 3 copies, of all board minutes.

MR. KENNEDY. What would you do with those?

MISS MACMILLAN. I would give one copy to our bookkeeper for the purpose of making whatever refund checks or contributions, that type of thing. I would give one to the girl who handled our sick benefit fund, which is allowing members dues when they are sick. I would keep a copy myself and the original went into our files.

MR. KENNEDY. The original went into your files. Who kept those files?

Miss MACMILLAN. They were in Mr. Mathews' office.

Mr. KENNEDY. Were they kept in a safe?

Miss MACMILLAN. In a steel cabinet file.

Mr. KENNEDY. Who had the key to that?

Miss MACMILLAN. I have a key and Mr. Mathews has a key.

Mr. KENNEDY. Just the two of you?

Miss MACMILLAN. As far as I know.

Mr. KENNEDY. Have you learned that the minutes on several different occasions, minutes of the executive board, have been altered?

Miss MACMILLAN. Yes.

Mr. KENNEDY. You have. Were the minutes altered on at least 6 or 7 occasions that you know of?

Miss MACMILLAN. Yes; at least that.

Mr. KENNEDY. And they were altered in order to authorize the payment and the drawing of certain sums of money; is that right?

Miss MACMILLAN. That is the way it would appear.

Mr. KENNEDY. Mr. Chairman, this is the first matter that we discussed this morning, where there was the original and the one that was altered, regarding the payment of \$10,000.

The CHAIRMAN. We have photostatic copies of the minutes of the meeting of the executive board of local union No. 3 on July 3, 1956. There are two sets, one marked "A" and the other marked "B". The one marked "A" has been made exhibit No. 23 in the record and the one marked "B" has been made exhibit No. 24.

I ask you to examine these photostatic copies of those two exhibits and see if you recognize them.

(Documents were handed to the witness.)

Miss MACMILLAN. On exhibit A, I would say that is the original minutes that I typed.

The CHAIRMAN. "A" is exhibit 23, is it?

Miss MACMILLAN. Yes.

The CHAIRMAN. All right, and the other is exhibit No. 24. That is identified as "B".

Miss MACMILLAN. It is not the minutes that I typed.

The CHAIRMAN. What is the difference? What paragraph is different in the one that you typed and kept as the original and the one that appears on exhibit 24, identified as "B"?

Miss MACMILLAN. In the first instance, the typing is not the same. It is not the same typewriter. The motion that is in your exhibit 24, "regularly moved and seconded that \$10,000 be allocated for the defense fund," and so forth, is not in your exhibit 23.

The CHAIRMAN. Which is the truthful record, according to the one that you prepared?

Miss MACMILLAN. Your exhibit 23.

The CHAIRMAN. Exhibit 23. In other words, the original record as you prepared it and as it was dictated to you by Mr. Mathews and placed in the files as the permanent minute record has been altered in exhibit 24?

Miss MACMILLAN. That is correct.

The CHAIRMAN. And changed by adding to it and including the paragraph with reference to the authorization of the spending of \$10,000?

Miss MACMILLAN. That is correct.

The CHAIRMAN. So that was not reported to you and you did not so record it?

Miss MACMILLAN. No.

The CHAIRMAN. And it has been written up with a different typewriter?

Miss MACMILLAN. That is right.

The CHAIRMAN. You did not write it and you knew nothing about it?

Miss MACMILLAN. I did not write it and knew nothing about it.

The CHAIRMAN. When did you first learn about it?

Miss MACMILLAN. I learned about it in April or May of 1957.

The CHAIRMAN. After this investigation was underway?

Miss MACMILLAN. That is right.

The CHAIRMAN. Thank you.

Mr. KENNEDY. Mr. Chairman, we had some discussion this morning with Mr. Clancy regarding a second \$10,000 check of the pension fund. I would like to have the witness identify these documents to find out if there was an alteration made in the minutes, giving authorization to the pension fund.

The CHAIRMAN. I present to you two copies purporting to be minutes of the executive board meeting of local union No. 3 on March 14, 1956. One of these, for purposes of identification up to now, is marked "A" and the other is marked "B." "A" contains two typewritten pages. "B" contains two and a fraction of a third.

I ask you to examine these, state if you identify them and if so, which is the one you prepared and was the original minutes kept.

(Documents were handed to the witness.)

Miss MACMILLAN. Exhibit "A" is the one that I prepared.

The CHAIRMAN. Exhibit "A" is the one you prepared. That was the original minutes and the official minutes, according to your preparation of them as dictated by Mr. Mathews?

Miss MACMILLAN. That is right.

The CHAIRMAN. All right. That will be made exhibit No. 27.

(The document referred to was marked "Exhibit No. 27" for reference and will be found in the appendix on pp. 7866-7867.)

The CHAIRMAN. The other one, do you identify the other one which is now marked "B"?

Miss MACMILLAN. Well, it is not one that I did. It is a retyped copy of the minutes.

The CHAIRMAN. Is it also on a different typewriter?

Miss MACMILLAN. Yes, it is.

The CHAIRMAN. Does it compare with the one you wrote?

Miss MACMILLAN. In the content, do you mean?

The CHAIRMAN. In content. If it does not, will you point out the difference between the two and read what you find has been added, or what alteration you have found, what may have been added or extracted from it.

Miss MACMILLAN. There is a motion that has been added to your exhibit 28—

The CHAIRMAN. Do you identify that one?

Miss MACMILLAN. As the incorrect one, yes.

The CHAIRMAN. That will be made exhibit No. 28.

(The document referred to was marked "Exhibit No. 28" for reference and will be found in the appendix on pp. 7868-7870.)

Miss MACMILLAN. A motion has been added in the exhibit 28 as follows:

It was regularly moved and seconded that the executive officers be instructed to take care of all the legal, actuarial, printing, and other expenses occurred in connection with the proposed pension plan from the defense fund. Carried.

That motion is not in the original minutes.

The CHAIRMAN. It was never dictated to you?

Miss MACMILLAN. It was not.

The CHAIRMAN. I believe you had a key to the file where the original minutes were kept?

Miss MACMILLAN. Yes.

The CHAIRMAN. If a member of the union, a dues-paying member, would come in and say, "I would like to see the minutes of the executive board meeting of—" that date, March 14, I believe it was, would you have shown him?

Which would you have shown him as the official minutes?

Miss MACMILLAN. The copy that would have been in the official original file. If this was in 1956 that he came and asked for it, this would have been the copy that he would have seen, this other one.

The CHAIRMAN. Had he come in 1956 and asked to have seen the minutes, he would have seen the one that did not contain the motion regarding the \$10,000, is that correct?

Miss MACMILLAN. That is correct, if the minutes had not been changed prior to 1956. I have no way of knowing when they were changed.

The CHAIRMAN. Do you know when the other was substituted for your original?

Miss MACMILLAN. No, I do not. I have no way of knowing.

The CHAIRMAN. In other words, if the original had been there, you would have shown him the original?

Miss MACMILLAN. That is right.

The CHAIRMAN. Do you know where these others were kept?

Miss MACMILLAN. No, I do not.

The CHAIRMAN. That is, these that have been altered, these phony ones, do you know where they were kept?

Miss MACMILLAN. No, I don't.

The CHAIRMAN. They have not been in the original files?

Miss MACMILLAN. Only when I found them. They had been put in there.

The CHAIRMAN. They had been put in the original files?

Miss MACMILLAN. Yes.

The CHAIRMAN. When did you find them?

Miss MACMILLAN. As I said before, in April or May. It was when the international auditor came out.

The CHAIRMAN. And you were surprised to find them?

Miss MACMILLAN. Yes, I was.

Mr. KENNEDY. They had been put in there to replace the minutes that you had drawn up?

Miss MACMILLAN. Yes.

The CHAIRMAN. Had your minutes been taken out of the files?

Miss MACMILLAN. Yes.

The CHAIRMAN. They had been taken out and these had been substituted?

Miss MACMILLAN. That is correct.

The CHAIRMAN. But you had retained a copy of the original, yourself?

Miss MACMILLAN. Yes.

The CHAIRMAN. That is the reason you know the difference?

Miss MACMILLAN. Yes.

Mr. KENNEDY. Now, Mr. Chairman, we have found five other instances where the minutes have been altered. Should we put them in all together?

The CHAIRMAN. Do you have them?

Mr. KENNEDY. Yes. We have the alterations made in each one. Miss MacMillan can read them into the record.

The CHAIRMAN. I hand you here records, minute records, of the executive board meeting of union local No. 3, of February 18, 1953, of July 14, 1954, of July 20, 1955, and July 18, 1956, four different meetings that I have identified by date. There appear here two sets of minutes for each of those meetings. One is marked "A" and the other is marked "B" in each instance. I ask you to examine each of these four sets.

State first whether you identify them and then state whether "A" or "B" is the original. In each instance point out, if you identify them, the discrepancies or the change that is made from the original minutes. Identify them by date.

(Documents were handed to the witness.)

Miss MACMILLAN. I am looking at the executive board minutes of February 18. I identify A as the original minutes.

The CHAIRMAN. That may be made exhibit 29.

(The document referred to was marked "Exhibit No. 29" for reference and may be found in the files of the select committee.)

Miss MACMILLAN. I identify B as the changed minutes.

The CHAIRMAN. That will be made exhibit No. 30.

(The document referred to was marked "Exhibit No. 30" for reference and may be found in the files of the select committee.)

The CHAIRMAN. Point out the change.

Miss MACMILLAN. A motion has been added as follows:

From Utah, regarding right-to-work bill: Regularly moved and seconded that the executive officers be authorized to give any financial assistance from the defense fund to help defeat the bill. Carried.

The CHAIRMAN. That was not in the original minutes?

Miss MACMILLAN. No.

The CHAIRMAN. Thank you. Will you take the next series?

Miss MACMILLAN. I have the executive board meeting minutes of July 14.

The CHAIRMAN. What year?

Miss MACMILLAN. 1954. I identify exhibit A as the original minutes.

The CHAIRMAN. That will be made exhibit 31.

(The document referred to was marked "Exhibit No. 31" for reference and may be found in the files of the select committee.)

Miss MACMILLAN. I identify B as the changed minutes.

The CHAIRMAN. That will be made exhibit 32.

(The document referred to was marked "Exhibit No. 32" for reference and may be found in the files of the select committee.)

The CHAIRMAN. Will you point out the alteration or change in the exhibit B or exhibit 32?

Miss MACMILLAN. In exhibit B the following motion has been added:

From the Nevada State federation regarding the right-to-work petition: Regularly moved and seconded that the executive officers be authorized to spend whatever amount is necessary from defense fund to help defeat the bill. Carried.

The CHAIRMAN. Thank you very much. Will you take the next series?

Miss MACMILLAN. These are the executive board minutes of July 20, 1955. Exhibit A I identify as the original minutes.

The CHAIRMAN. That may be made exhibit 33.

(The document referred to was marked "Exhibit No. 33" for reference and may be found in the files of the select committee.)

Miss MACMILLAN. Exhibit B is the changed minutes.

The CHAIRMAN. That may be identified as exhibit 34.

(The document referred to was marked "Exhibit No. 34" for reference and may be found in the files of the select committee.)

The CHAIRMAN. Will you point out the change in the minutes of that meeting?

Miss MACMILLAN. The following has been added to exhibit B:

Regarding the strike at Kennecott Bingham pit: Regularly moved and seconded that \$1,000 be sent for strike relief from defense fund. Carried.

The CHAIRMAN. Will you examine the last set?

Miss MACMILLAN. The executive board minutes of July 18, 1956. I identify A as the original minutes.

The CHAIRMAN. That may be made exhibit No. 35.

(The document referred to was marked "Exhibit No. 35" for reference and may be found in the files of the select committee.)

Miss MACMILLAN. And B as the changed minutes.

The CHAIRMAN. That will be made exhibit 36.

(The document referred to was marked "Exhibit No. 36" for reference and may be found in the files of the select committee.)

The CHAIRMAN. Point out the changes made.

Miss MACMILLAN. The following has been added to "B":

From Salt Lake office requesting further help in organizing in uranium production and mining. Regularly moved and seconded that the executive officers be instructed to lend financial assistance from the defense fund and to aid in the organizing. Carried.

The CHAIRMAN. Thank you very much.

Mr. KENNEDY. I have one question of Mr. Gordon.

TESTIMONY OF JOSEPH I. GORDON—Resumed

Mr. KENNEDY. Mr. Gordon, you made a study of the altered minutes and also of the records, the financial records of the union?

Mr. GORDON. Yes; I have.

Mr. KENNEDY. Have you determined how much money was withdrawn from the union, based on these altered minutes?

The CHAIRMAN. Does that include the five sets? We have had five sets identified.

Mr. KENNEDY. Six sets, there are these 4 that you put in and 2 originally.

Mr. GORDON. Yes, I have, sir.

Mr. KENNEDY. How much does that total?

Mr. GORDON. \$26,500.

Mr. KENNEDY. That was for February 18, 1953, on the Utah right-to-work bill, \$5,000; the Nevada State Federation, the same \$5,000; the Kennecott Bingham Pit, \$1,000. The one in Nevada was July 14, 1954. The one at Kennecott was July 20, 1955.

Then there was \$10,000 for pension fund on March 14, 1956; \$10,000 on the check cashing expedition, July 3, 1956; and \$500 I believe, to Salt Lake City uranium.

Mr. GORDON. Yes.

The CHAIRMAN. Those are accurate?

Mr. GORDON. Yes; they are, Mr. Chairman.

The CHAIRMAN. Thank you.

Are there any further questions?

Mr. KENNEDY. Thank you very much.

The CHAIRMAN. The committee will stand in recess until 2:15.

(Whereupon, at 12:35 p. m., the hearing in the above-entitled matter was recessed, to reconvene at 2:15 of the same day.)

AFTERNOON SESSION

(At the reconvening of the committee, the following members were present: Senators McClellan, Ives, and Curtis.)

The CHAIRMAN. The committee will come to order.

Mr. Clancy, please come forward a moment.

TESTIMONY OF PATRICK W. CLANCY—Resumed

Mr. KENNEDY. Mr. Clancy, were you at a convention in Las Vegas in December of 1953?

Mr. CLANCY. A convention?

Mr. KENNEDY. In Las Vegas?

Mr. CLANCY. In December?

Mr. KENNEDY. In 1953?

Mr. CLANCY. I don't remember, Mr. Kennedy, whether there was a convention there at that time, or not.

Mr. KENNEDY. Were you in a group of about 12 or 14 of the union officials there in December of 1953?

Mr. CLANCY. It is very possible that I was.

Mr. KENNEDY. I think some of you, according to the records from the hotel, were there for a day and some of you were there for 2 days. Is that right?

Mr. CLANCY. That is very possible, sir.

Mr. KENNEDY. And I believe that you paid the hotel bill; you paid the Thunderbird Hotel in Las Vegas, Nev., \$303.90 for the hotel bill.

Mr. CLANCY. I paid them that, sir?

Mr. KENNEDY. When I say "you," I mean the union which you represent. \$303.90, do you remember that?

Mr. CLANCY. No, I don't.

Mr. KENNEDY. Do you remember having a \$200 downpayment that you made at the Thunderbird Hotel, and then the \$303.90 being on top of that? Do you remember that transaction?

Mr. CLANCY. No, I don't.

Mr. KENNEDY. The total hotel bills for this group, which was about a dozen men for this 2-day period, was \$503.90. Do you know anything about that?

Mr. CLANCY. I don't remember how much it was, sir, if I paid it.

Mr. KENNEDY. That was all paid, and a check was made out to the Thunderbird Hotel. Now I would like to ask you about this item.

The CHAIRMAN. Mr. Clancy, the Chair hands you what purports to be a photostatic copy of what I think you term a warrant, signed by you and by C. F. Matthews. It is undated. It is made payable to the Thunderbird Hotel in the amount of \$2,400. It is warrant No. W-53260. I would like for you to examine that photostatic copy and state if you identify it.

(The document was handed to the witness.)

The CHAIRMAN. Do you identify that warrant, Mr. Clancy?

Mr. CLANCY. It is my signature on the warrant, sir.

The CHAIRMAN. You identify your signature?

Mr. CLANCY. On the warrant.

The CHAIRMAN. Evidently, if you identify your signature, you have seen the warrant some time before?

Mr. CLANCY. I evidently seen it to sign it, yes.

The CHAIRMAN. What is that warrant for?

Mr. CLANCY. It states "Hotel expenses."

The CHAIRMAN. It states "Hotel expenses"?

Mr. CLANCY. That is right.

The CHAIRMAN. It is not dated. Do you know why it is not dated?

Mr. CLANCY. No. I don't sir, because I do not make these out. The bookkeeper makes them out. I don't make them out.

The CHAIRMAN. You do not make them out. Who told you to sign that warrant?

Mr. CLANCY. Mr. Chairman, the warrant and the check is made together, so fashioned. There was nobody authorized to tell the bookkeeper to make a check but one person, and when the check is made the warrant is made with it, the same typewriter in the same time.

The CHAIRMAN. We will see about that in just a moment. I think you are very much in error. What I wanted to know is, Did you sign that warrant?

Mr. CLANCY. Yes, that is my signature on the warrant.

The CHAIRMAN. It will be made exhibit No. 37.

(The document referred to was marked "Exhibit No. 37" for reference, and will be found in the appendix on p. 7871.)

The CHAIRMAN. Did you have any vouchers or anything to substantiate that bill, when you signed the warrant?

Mr. CLANCY. I don't remember whether there was any with it or not.

The CHAIRMAN. Don't you remember that the hotel bill was paid on regular vouchers?

Mr. CLANCY. No; I don't.

The CHAIRMAN. You don't recall that?

Mr. CLANCY. No; I don't.

The CHAIRMAN. To refresh your memory, I hand you a check dated November 3, 1953, made payable to the same hotel, the Thunderbird Hotel, in the amount of \$200, the check signed by Mr. Vandewark and by Mr. Mathews, according to the records as an advancement when the hotel accommodations were reserved. I will ask you to examine that check and see if you identify it.

(The document was handed to the witness.)

Mr. CLANCY. What do you want to know about it, Senator?

The CHAIRMAN. I want to know if you recognize it.

Mr. CLANCY. I don't know whether I ever seen the check before.

The CHAIRMAN. Do you recall that? Do you recognize that as a down payment for the hotel accommodations?

Mr. CLANCY. It could be. I don't remember whether it was or not.

The CHAIRMAN. To help you out a little further, I will ask you to examine this warrant. It is No. W-53428, dated December 23, 1953, which was issued to substantiate the balance of the hotel bill. I will ask that you examine the statements of the hotel rendered in support of the account, and particularly your own statement, which shows the \$200 advanced, and also the balance for which you signed another warrant.

I will ask you to examine this warrant, a warrant for hotel expense, and see if you identify your signature on it.

(The document was handed to the witness.)

Mr. CLANCY. Yes; that is my signature on that warrant.

The CHAIRMAN. That warrant may be made exhibit No. 38.

(The document referred to was marked "Exhibit No. 38" for reference. Will be found in the appendix on p. 7872.)

The CHAIRMAN. I will ask you to examine the vouchers there, the hotel statements, of the account, and see if those were not received by you and were in support of that warrant.

Mr. CLANCY. I beg your pardon?

The CHAIRMAN. Were not those hotel statements received by you and attached to the voucher as substantiating that expenditure?

Mr. CLANCY. They were never received by me. They were received by the bookkeeper, not by me.

The CHAIRMAN. All right. That is what you based the voucher on, is it not, or what you based the warrant on. Well, you can identify those as a statement rendered by the hotel upon which the warrant was based, can you not?

Mr. CLANCY. Yes, sir; but I thought there might be some in here that weren't within our organization. You never know.

The CHAIRMAN. Well, I want you to look and find your own. Let us see what it shows.

Mr. CLANCY. Find mine?

The CHAIRMAN. Yes. Turn back to it and see if it does not show a credit of \$200 in advance payment, this check which you just identified.

Mr. CLANCY. Credit? It says "Credit transfered to local No. 3, Engineers."

The CHAIRMAN. How much?

Mr. CLANCY. A check has been forwarded down there for \$200.

The CHAIRMAN. That is the check that you just saw a moment ago; isn't it?

Mr. CLANCY. I presume it is.

The CHAIRMAN. Yes.

Mr. CLANCY. I didn't forward it down there; no. I had nothing to do with that.

The CHAIRMAN. I understand. That check and this voucher, the warrant you have seen, with the accompanying supporting statements from the hotel, make up a total of \$503.90; is that correct?

Mr. CLANCY. You have the figures there. I can add them. I didn't add them up, sir.

The CHAIRMAN. It is \$200, and \$303.90, making \$503.90.

Mr. CLANCY. Yes.

The CHAIRMAN. Now I hand you the check that was issued on the basis of that warrant and the supporting documents, the check dated the same day, December 23, 1953, in the amount of \$303.90, to the Thunderbird Hotel. I ask you to examine that check and see if you identify it.

(The document was handed to the witness.)

Mr. CLANCY. That makes up the balance of that that you were talking about, sir?

The CHAIRMAN. Yes.

Mr. CLANCY. Thank you.

The CHAIRMAN. Are we correct now that there is a total, with the \$200 advance, of \$503.90 paid out of the union funds to take care of the accommodations of you people who were down there?

Mr. CLANCY. Yes, sir; that is correct.

The CHAIRMAN. That is the total that was paid?

Mr. CLANCY. Yes, sir.

The CHAIRMAN. Now, you identified this warrant as having signed it for \$2,400, a warrant that has been made exhibit No. 37. You identified that, I believe, as having your signature?

Mr. CLANCY. Yes, sir.

The CHAIRMAN. That was submitted. While it is undated, I want to ask you if after you came back from that meeting down there if you did not draw this warrant for \$2,400 and then issue a check thereon for the same amount?

Mr. CLANCY. Not to my knowledge, sir.

The CHAIRMAN. I present to you a check dated December 12, 1953, in the amount of \$2,400, made payable to cash. I will ask you to examine that check and see if you identify it.

(A document was handed to the witness.)

Mr. CLANCY. It is one of the photostatic copies of one of our checks.

The CHAIRMAN. And that warrant and the check compare in amount exactly, do they not?

Mr. CLANCY. Yes.

The CHAIRMAN. All right, that is the warrant supporting this check, is it not?

Mr. CLANCY. I guess so, it looks like it.

The CHAIRMAN. It looks like it, does it not?

Mr. CLANCY. Yes, sir.

The CHAIRMAN. Then if the warrant is made to Thunderbird Hotel, can you tell us why the check was made to cash?

Mr. CLANCY. You would have to ask the man that orders the checks made. I don't have that authority, sir.

The CHAIRMAN. All right, let us see the endorsement on that check. Who is Thomas Lawson or Thomas R. Lawson? Do you know him?

Mr. CLANCY. Tom Larson, I do not believe I know a Tom Larson.

The CHAIRMAN. Lawson?

Mr. CLANCY. I don't believe that I know a Tom Lawson.

The CHAIRMAN. Well, do you know a Theo. R. Lawson?

Mr. CLANCY. Theodore Lawson?

The CHAIRMAN. Well, he signed it "Theo."

Mr. CLANCY. That is Ted Lawson. I know a Ted Lawson but I do not want to get the names confused, sir. Is it Ted Lawson?

The CHAIRMAN. It is Theo. R. Lawson on this. Do you know a Ted Lawson?

Mr. CLANCY. Yes, sir.

The CHAIRMAN. Was he down there with you on the trip?

Mr. CLANCY. He lives in Las Vegas, and he is in Las Vegas, and I presume he was there, and I don't remember now whether he was or not.

The CHAIRMAN. You do not know whether he was there or not? He lives there?

Mr. CLANCY. Yes, sir.

The CHAIRMAN. What business is he in?

Mr. CLANCY. He is a representative of one of the other local unions.

The CHAIRMAN. Another union man?

Mr. CLANCY. He is a representative of a local union.

The CHAIRMAN. It seems that he endorsed this check and got the money for it. Do you know anything about that?

Mr. CLANCY. I do not, sir.

The CHAIRMAN. And the voucher or warrant was made out to the hotel, and the money was taken in cash. Can you account for what happened to that money?

Mr. CLANCY. I cannot.

The CHAIRMAN. Did you get any of that money?

Mr. CLANCY. I did not.

The CHAIRMAN. Do you know how it was spent?

Mr. CLANCY. No.

The CHAIRMAN. You were president, and you know nothing about it?

Mr. CLANCY. I don't know how it was spent or anything about it.

Mr. KENNEDY. Why did you make out the warrant?

The CHAIRMAN. The \$2,400 check there will be made exhibit No. 39. (Document referred to was marked "Exhibit No. 39" for reference and will be found in the appendix on p. 7873.)

Mr. KENNEDY. Why did you make out the warrant?

Mr. CLANCY. Mr. Kennedy, I tried to tell you a few moments ago, and the chairman wouldn't let me proceed, and so evidently he didn't want to know how the warrants are made out. Do you want to know how the warrants are made out?

Mr. KENNEDY. I want to know why you made up this warrant for \$2,400.

Mr. CLANCY. I don't make up the warrants, sir.

Mr. KENNEDY. Why did you sign the warrants?

Mr. CLANCY. I tried to tell you a few minutes ago, Mr. Kennedy, that the check and the warrant are followed like that with a piece of carbon paper in between them, and the bookkeeper makes up the

check and the warrant at the same time. I may not see that warrant for 3 or 4 days or maybe a week after it is made out.

Mr. KENNEDY. What is the purpose of having you sign warrants?

Mr. CLANCY. The purpose in it?

Mr. KENNEDY. Yes.

Mr. CLANCY. I don't like the way he said that "yes."

I presume that is answered this way: here is a place on the warrant that says, "President" and so we sign it.

The CHAIRMAN. Is that the only reason you can give?

Mr. CLANCY. That is about as good as any.

The CHAIRMAN. That is about as good as any? I believe it is the way the thing operates.

Senator CURTIS. The reason that you have to sign a warrant is because you, as president, are responsible for the conduct of the union, and there must be a warrant before a check being issued, isn't that true?

Mr. CLANCY. Not necessarily.

Senator CURTIS. You affixed your signature to a document that authorized the payment of \$2,400 of the union's money. What was the \$2,400 for, and who got it?

Mr. CLANCY. That I could not answer, and I do not know.

Senator CURTIS. Why did you sign it if you did not know?

Mr. CLANCY. I signed the warrant.

Senator CURTIS. Why did you sign the warrant if you did not know what it was for?

Mr. CLANCY. There might have been a whole bunch of warrants and I signed them as they went through. I might not even have been handling it when the warrant was made out, and I couldn't answer that now. That has been a long time ago.

Senator CURTIS. It is a sizable item.

Mr. CLANCY. Yes, sir.

Senator CURTIS. I just do not believe that you can escape responsibility for this by just saying that you don't know and that you just work there. You were president and the members had a right to look to you for faithful performance of your duties.

You are not a minor and you are not under guardianship. You signed a warrant authorizing the payment of \$2,400, and you will not tell this committee what the \$2,400 was for or who got the money?

Mr. CLANCY. You will have to ask the man who got the cash out of the check. I didn't cash it.

Senator CURTIS. You set it in motion, and without that warrant there would not have been any check. That is all.

The CHAIRMAN. The Chair will make check No. W-52605 in the amount of \$200 which has been identified, as exhibit No. 40. And check No. W-53428, which has been identified, in the amount of \$303.90 to be made exhibit No. 41.

(Documents referred to were marked "Exhibits No. 40 and 41" for reference and will be found in the appendix on pp. 7874-7875.)

The CHAIRMAN. Proceed.

Mr. KENNEDY. Mr. Chairman, we are temporarily finished with Mr. Clancy.

The CHAIRMAN. Thank you, Mr. Clancy, and will you stand aside as we may need a little more information from you later?

Mr. KENNEDY. Mr. Vandewark.

The CHAIRMAN. You do solemnly swear that the evidence you shall give before this Senate select committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. VANDEWARK. I do.

TESTIMONY OF PORTER E. VANDEWARK

The CHAIRMAN. Will you state your name, and your place of residence and business or occupation?

Mr. VANDEWARK. My name is Porter E. Vandewark, and I live at 732 Sancher Street, San Francisco. I am a business representative and treasurer of Operating Engineers Local No. 3.

The CHAIRMAN. Mr. Vandewark, do you desire counsel present while you testify?

Mr. VANDEWARK. No; I waive that privilege.

The CHAIRMAN. Thank you very much. How long have you been in this official position with Local No. 3 of the Operating Engineers?

Mr. VANDEWARK. Mr. Chairman, before I go any further, could I request that these flash cameras in front of me be discontinued.

The CHAIRMAN. You may, and they will be discontinued until further orders from the Chair.

Proceed.

I believe that I had a question. How long have you been secretary-treasurer of local 3?

Mr. VANDEWARK. The proper title, Mr. Chairman, is treasurer, and I have been treasurer since July 1941. I have been business representative since 1940.

The CHAIRMAN. Thank you very much.

Mr. KENNEDY. I would like to ask him about that check.

The CHAIRMAN. I hand you here what is exhibit 39 to the record in this proceeding, a check in the amount of \$2,400, dated December 12, 1953, made payable to cash.

The check is signed by you apparently, and by Mr. Mathews. It is signed by you as treasurer, and I will ask you to examine the check and state if you identify it.

(At this point a document was handed to the witness.)

Mr. VANDEWARK. Yes, sir; I can identify it.

The check is in my handwriting with the exception of the signatures.

The CHAIRMAN. The signatures were not yours?

Mr. VANDEWARK. With the exception of 2 of the signatures, pardon me, 1 signature is mine, and the amount, and cash and \$2,400 is my writing, and the date on the check.

The CHAIRMAN. All right.

Proceed, Mr. Counsel.

Mr. KENNEDY. Where did you make that check out?

Mr. VANDEWARK. That check was made out in Las Vegas.

Mr. KENNEDY. What did you do with the money?

Mr. VANDEWARK. I did not receive any part of the money.

Mr. KENNEDY. What did you do with it?

Mr. VANDEWARK. Mr. Kennedy, the check was turned over to Mr. Swanson who had Mr. Theodore Lawson cash it for him, and Mr. Swanson took the entire proceeds of the check, and I received none.

Mr. KENNEDY. What was the reason for you signing the check?

Mr. VANDEWARK. Mr. Swanson said that he needed additional funds there to take care of the conference expense, and the check was made out and signed.

Mr. KENNEDY. Why was it not made out to the Thunderbird Hotel?

Mr. VANDEWARK. The check was not made out to the Thunderbird Hotel, and the check was made out to pay to the order of cash.

Mr. KENNEDY. Why was it not made out to the Thunderbird Hotel, if that is what it was needed for?

Mr. VANDEWARK. Well, Mr. Kennedy, I just answered your question by saying that Mr. Swanson needed the money to pay the additional expenses of the conference.

Mr. KENNEDY. The warranty says it was needed to pay certain bills at the Thunderbird Hotel. Why was the check made out to cash?

Mr. VANDEWARK. It was Mr. Swanson's direction, and I made it out as such.

Mr. KENNEDY. Well, you are the treasurer and you also have responsibilities, do you not?

Mr. VANDEWARK. That is correct; I do.

Mr. KENNEDY. Did you get any vouchers to show how the money was going to be spent?

Mr. VANDEWARK. I did not.

Mr. KENNEDY. You received nothing at all?

Mr. VANDEWARK. Nothing at all.

Mr. KENNEDY. You were there at that convention for 1 or possibly 2 days. And the union was paying the hotel bills and why was \$2,400 needed?

Mr. VANDEWARK. That I do not know.

Mr. KENNEDY. Did you try to find out?

Mr. VANDEWARK. No; I did not.

Mr. KENNEDY. Are you not the treasurer of the union?

Mr. VANDEWARK. Yes, sir.

Mr. KENNEDY. Do you have any responsibilities to the membership?

Mr. VANDEWARK. I believe I do.

Mr. KENNEDY. Did you meet the responsibilities by signing a check such as this?

Mr. VANDEWARK. Possibly not.

Mr. KENNEDY. Well, you could not have met the responsibilities that you had under these circumstances.

The CHAIRMAN. In other words, you have no record, and you required no record to show what that money was going for?

Mr. VANDEWARK. No, sir, I did not. I did not have any such record.

The CHAIRMAN. You were just told by Swanson to sign the check and issue the check and that is what you did?

Mr. VANDEWARK. That is correct.

The CHAIRMAN. Is that your general practice, and is that the way the union operates?

Mr. VANDEWARK. That has happened many, many times, yes, sir.

The CHAIRMAN. You dare not ask a question about it, do you?

Mr. VANDEWARK. Well, you usually got knocked down if you did.

The CHAIRMAN. That is what I mean. You are afraid to ask a question about it, and you would only lose your job but probably get knocked down?

Mr. VANDEWARK. I used the expression "knocked down," and I meant lose my job, that is correct. That is what I meant by the expression "knocked down."

The CHAIRMAN. You did not mean a physical encounter?

Mr. VANDEWARK. No, sir.

The CHAIRMAN. But you had to carry out his order or lose your job?

Mr. VANDEWARK. Yes, sir.

The CHAIRMAN. So when he says, "I want \$2,400 out of the treasury," you just give it out?

Mr. VANDEWARK. That is correct.

The CHAIRMAN. Without knowing where it is going or whether it is for union purposes or whether it is for theft, embezzlement or what?

Mr. VANDEWARK. That is right. There have been many instances that checks were drawn and I was requested to sign and I did it.

The CHAIRMAN. And where you had serious doubts or good reason to believe that the money was not going for legitimate union purposes.

Mr. VANDEWARK. At the time I did not have those doubts. I did not at that time have those doubts. Since, those doubts have arisen, many of them.

The CHAIRMAN. Many of them have arisen?

Mr. VANDEWARK. Yes, sir.

The CHAIRMAN. It would seem to me you would have had a little doubt at the time. If a fellow comes in and says, "Here, I want \$2,400; take it out of the treasury and give me a check for it." How long were you down at this meeting?

Mr. VANDEWARK. I believe 3 days.

The CHAIRMAN. Well, that runs to about \$2,900 for 3 days that was spent down there. The legitimate hotel bill, and the legitimate expenses appear to have been covered by the other two checks, the \$200 advanced to the hotel and the other check for \$303.90 according to the hotel. And according to your records that is the total of the hotel bill, \$503.90. That would not be too much out of line either way, I suppose.

How many of you were there?

Mr. VANDEWARK. I do not recall. I am only guessing, but I believe there were 12.

The CHAIRMAN. Well, that would run for the 12, about \$45 apiece. I guess that would be about a legitimate charge.

Now, they have here though a check for \$2,400, and there is no explanation for it. That was spent by your officers down there, by you folks down there on that trip out of union dues. That is not accounted for other than it shows up in the records on a warrant payable to the hotel, and on a check payable to cash, and the check was issued that way and cashed by Swanson. Is that correct?

Mr. VANDEWARK. Mr. Swanson received the cash. The check was cashed by Theodore Lawson.

The CHAIRMAN. That is like a bank cashing a check, but the cashier of the check was the man who presented it.

Mr. VANDEWARK. That is right.

The CHAIRMAN. And Swanson got the money?

Mr. VANDEWARK. That is right.

The CHAIRMAN. All right, proceed.

Mr. KENNEDY. And you went along with all of these things because you felt that you would lose your job, if you did not?

Mr. VANDEWARK. Not necessarily so.

Mr. KENNEDY. What was the reason?

Mr. VANDEWARK. At this particular time I had every reason to believe, and I have trusted the man who was the manager of the organization and I believed when he said he needed it, it was necessary.

Mr. KENNEDY. Did you get vouchers for it at all?

Mr. VANDEWARK. None whatsoever.

Mr. KENNEDY. You were down there for 3 days, and you signed other checks to the Thunderbird Hotel to pay the legitimate expenses.

Mr. VANDEWARK. I believe those checks were signed prior to going down there, and after returning.

Mr. KENNEDY. That is right, one for \$200 before you went down there, and \$303 after you came back, and you were down there for 2 nights. Now this is a check for \$2,400, and what other expenses could you possibly have down there that were legitimate?

Mr. VANDEWARK. I didn't have any other expenses.

Mr. KENNEDY. What other expenses could anyone have that were legitimate?

Mr. VANDEWARK. Well, I don't know. I believe the person who had the reason for the expense could best answer that question.

Mr. KENNEDY. Well, you got no vouchers from him at all?

Mr. VANDEWARK. No.

Mr. KENNEDY. Now, did you take part in this check-cashing expedition also, Mr. Vandewark?

Mr. VANDEWARK. Yes, sir.

Mr. KENNEDY. You toured the country to cash checks?

Mr. VANDEWARK. Yes sir.

Mr. KENNEDY. With Mr. Clancy?

Mr. VANDEWARK. Yes, sir.

Mr. KENNEDY. And the purpose was to cash these checks in various sections of the country?

Mr. VANDEWARK. Yes, sir.

Mr. KENNEDY. So that it would appear that they had been cashed for legitimate organizing purposes?

Mr. VANDEWARK. Not organizing purposes.

Mr. KENNEDY. For legitimate campaign purposes?

Mr. VANDEWARK. Campaign purposes.

Mr. KENNEDY. Did you do any campaigning when you went to these various areas?

Mr. VANDEWARK. Very little.

Mr. KENNEDY. Did you do any?

Mr. VANDEWARK. I believe in one instance, yes.

Mr. KENNEDY. Where was that?

Mr. VANDEWARK. Butte, Mont.

Mr. KENNEDY. What did you do there?

Mr. VANDEWARK. I talked to the local people of that particular local in Butte, Mont., the officers of that local.

Mr. KENNEDY. What was the purpose of going to these various areas with these checks?

Mr. VANDEWARK. To make it appear as though the money was spent in those areas for electioneering.

Mr. KENNEDY. Where did you cash your three \$2,000 checks?

Mr. VANDEWARK. I cashed one of the checks in the city of San Francisco, one in the city of Minneapolis, and one I believe in the city of Reno.

The CHAIRMAN. The Chair presents to you three checks made payable to you, dated July 6, 1956, in the amount of \$2,000 each, and the checks are drawn on local union No. 3, and on the account in the American Trust Co. They are each signed by V. S. Swanson, P. E. Vandewark, and C. F. Mathews. I ask you to examine these photostatic copies of checks and state if you identify those as photostatic copies of the checks which you cashed on that tour.

(At this point, Senator Goldwater entered the hearing room.)

(A document was handed to the witness.)

Mr. VANDEWARK. Yes, sir, these are the checks I cashed.

The CHAIRMAN. Let those checks be made exhibits No. 42, 43, and 44.

(The documents referred to were marked "Exhibits 42, 43, and 44, respectively", for reference and will be found in the appendix on pp. 7876-7878.)

The CHAIRMAN. Proceed, Mr. Kennedy.

Mr. KENNEDY. Did you see anything improper in what you were doing as far as the cashing of these checks, Mr. Vandewark?

Mr. VANDEWARK. Well, I could say it wasn't a proper method of expenditures, yes.

Mr. KENNEDY. It was not?

Mr. VANDEWARK. That is correct.

Mr. KENNEDY. What did you do with the money after you got it?

Mr. VANDEWARK. With the exception of what was spent during the trip, I turned the remainder over to Mr. Swanson.

Mr. KENNEDY. Did you keep any of it?

Mr. VANDEWARK. No, sir.

Mr. KENNEDY. Why did you do that, Mr. Vandewark?

Mr. VANDEWARK. Because, No. 1, I was requested and, secondly, I was directed to do so.

Mr. KENNEDY. Did you approve of doing it? Did you think it was a good, proper thing to do?

Mr. VANDEWARK. I don't know as I gave it any particular thought at the time.

Mr. KENNEDY. You never objected to doing it, though?

Mr. VANDEWARK. I did not.

Mr. KENNEDY. Did you object to anything that Mr. Swanson was ordering you to do in connection with any of these checks?

Mr. VANDEWARK. Do you mean these ones we are discussing at the moment?

Mr. KENNEDY. These or any others that you handled.

The CHAIRMAN. First with reference to these, and then make an answer with reference to the others.

Mr. VANDEWARK. I made no objections to these; no sir.

Mr. KENNEDY. Did you make any objections to any of the other checks you have signed?

Mr. VANDEWARK. That I have signed? Is that your question?

Mr. KENNEDY. Yes.

Mr. VANDEWARK. Not that I can recall of; no, sir.

Mr. KENNEDY. You didn't see anything wrong or improper in all of these checks payable to cash or checks where you received no vouchers or support for the money being taken out of the union treasury?

Mr. VANDEWARK. Would you ask that question again, please.

Mr. KENNEDY. Would you read it?

(The question was read by the reporter.)

Mr. VANDEWARK. Well, there was a question in my mind on many of them, but I never raised a personal objection; no, sir.

Senator CURTIS. Mr. Chairman?

The CHAIRMAN. Senator Curtis.

Senator CURTIS. Did you report to your membership this transaction involving this \$2,400 which you assisted in getting out from the funds of the union? Did you report that to the members?

Mr. VANDEWARK. Not specifically. I reported in the treasurer's report to the membership, but not specifically as to that particular item.

Senator CURTIS. You never told them what it was used for?

Mr. VANDEWARK. No, sir.

(At this point Senator McClelland left the hearing room.)

Senator CURTIS. Did you report the true facts concerning the cashing of these checks on the airplane trip and turning the money over to whoever you turned it over to, to the members?

Mr. VANDEWARK. No, sir.

Senator CURTIS. I have before me here what purports to be the International Union of Operating Engineers constitution, article XXIII, subdivision 2, relates to the powers and duties of officers. You are the treasurer, aren't you?

Mr. VANDEWARK. That is right.

Senator CURTIS. Are you under bond?

Mr. VANDEWARK. Yes, sir.

Senator CURTIS. You are supposed to perform the duties of the office as prescribed by the constitution and bylaws; are you not?

Mr. VANDEWARK. I am.

Senator CURTIS. Article XXIII, subdivision 3, section (e):

It shall be the duty of the treasurer to receive and hold all funds collected by the financial secretary and delivered to him; to give receipt for moneys delivered to him; to make no disbursements without approval of the local union, and only upon written order of the president and corresponding secretary; to make an itemized statement and report to the local union at the end of each quarter of the condition of his office and of the transactions of his office; to submit his books and accounts for inspection by the trustees when called upon by them.

You have never furnished them any information as to what actually happened with this something less than \$10,000 and this other item of \$2,400; have you?

Mr. VANDEWARK. Except in a treasurer's report.

Senator CURTIS. But that did not reveal the facts as to what happened, how the transactions were handled, or what the money was used for?

Mr. VANDEWARK. It did not.

Senator CURTIS. In fact, you have not revealed yet what the money was used for; have you?

Mr. VANDEWARK. No. I have no knowledge of what it was used for.

Senator CURTIS. You are without authority to disburse money. "And make no disbursements without approval of the local union."

Did the local union ever approve of this airplane excursion, and taking out of their treasury \$10,000 and giving most of it to somebody who you say you did?

Mr. VANDEWARK. Senator, might I call to your attention that you are reading from the international constitution. The local union is governed by a set of bylaws which are a little different. They must conform in general to the international constitution. But in the bylaws of the local union there is some variance in certain restrictions.

In that particular instance, where you say approved by the membership, the local bylaws provided approved by the executive board rather than the local union.

(At this point Senator McClellan returned to the hearing room.)

Senator CURTIS. The fact remains that the true happening with regard to these transactions was concealed from the membership; is that correct?

Mr. VANDEWARK. No; they weren't concealed from the membership.

Senator CURTIS. You never gave it to them; did you?

Mr. VANDEWARK. I gave it to them in a treasurer's report.

Senator CURTIS. But you just told me that that treasurer's report did not tell how these transactions were handled or what the money was used for; is that correct?

Mr. VANDEWARK. That is correct. Each disbursement was not read specifically.

(At this point Senator Ives left the hearing room.)

Senator CURTIS. How much is the amount of your bond?

Mr. VANDEWARK. \$30,000.

Senator CURTIS. It looks to me like some of your members ought to proceed to make some recovery of their money. It doesn't belong to you fellows.

That is all, Mr. Chairman.

The CHAIRMAN. Is there anything further?

Mr. KENNEDY. Yes; I have a few other things.

This morning we talked about the \$10,000 that was used to fight the "construction stiffs." When you were in the room this morning we were talking about that. Were you aware of that?

Mr. VANDEWARK. Yes, sir.

Mr. KENNEDY. You signed the check; did you not?

Mr. VANDEWARK. Yes, sir.

Mr. KENNEDY. And that was for the purpose of fighting this group that was critical of the union leadership?

Mr. VANDEWARK. That is correct.

Mr. KENNEDY. Did you receive any of that money?

Mr. VANDEWARK. I did not, sir.

Mr. KENNEDY. On no occasion?

Tell me, first, what happened to the money?

Mr. VANDEWARK. Perhaps if you have any documents there to help me refresh my memory—

The CHAIRMAN. Start with this one. This is the \$10,000 check dated January 24, 1955. It shows to have been cashed by you. It is made out to "Cash." It is on your local. It is signed by you, by Mathews and Swanson. Can you identify that check, please, sir?

(Document handed to the witness.)

Mr. VANDEWARK. Yes, sir; I can.

The CHAIRMAN. That check may be made exhibit No. 45.

(The document referred to was marked "Exhibit No. 45" for reference and will be found in the appendix on p. 7879.)

The CHAIRMAN. What is that check for?

Mr. VANDEWARK. The check is for \$10,000, made payable to cash, and cashed by myself.

The CHAIRMAN. What did you do with the money?

Mr. VANDEWARK. I turned it over to Mr. Swanson.

The CHAIRMAN. All of it?

Mr. VANDEWARK. Yes, sir.

The CHAIRMAN. What was the purpose of the check being issued?

Mr. VANDEWARK. The check was issued in accordance with the resolution that had been adopted by the membership to fight a group who were known as the—well, who were putting out a mimeographed sheet called the Construction News Stiff.

The CHAIRMAN. You say the membership had voted?

Mr. VANDEWARK. Yes, sir.

The CHAIRMAN. Why did the original minutes of the meeting not show that?

Mr. VANDEWARK. I believe they do, sir.

The CHAIRMAN. Do the records show how much money was to be spent?

Mr. VANDEWARK. No; I believe the resolution is silent on the amount.

The CHAIRMAN. It is silent on the amount? Does it say it is to be spent in cash?

Mr. VANDEWARK. I don't believe it says how it is to be spent, whether in cash—

The CHAIRMAN. It doesn't say the amount or how it is to be spent. All right. You say you didn't get any of that money. You turned the \$10,000 in cash all at one time over to Mr. Swanson?

Mr. VANDEWARK. Yes, sir.

The CHAIRMAN. Do you know anything about how he disbursed it?

Mr. VANDEWARK. I know of how he disbursed some of it; yes.

The CHAIRMAN. How?

Mr. VANDEWARK. I know that he hired a man and put him on the road, seeking information to establish who the people were that were putting out this particular sheet.

The CHAIRMAN. Did what? Hired men and put them on the road to what?

Mr. VANDEWARK. He hired a man and put him on the road to try to have him determine who was putting out this particular news, the Stiff sheet.

The CHAIRMAN. He did hire a man, you know that?

Mr. VANDEWARK. That is right.

The CHAIRMAN. And he put him on the road to try to find out who was putting out the mimeographed sheet?

Mr. VANDEWARK. That is right.

The CHAIRMAN. Who was the man?

Mr. VANDEWARK. Joseph Reilly.

The CHAIRMAN. Where does Reilly live?

Mr. VANDEWARK. I am not sure exactly, but I believe he lives in what is known as the East Bay or the Oakland side of San Francisco Bay.

The CHAIRMAN. Do you know him personally?

Mr. VANDEWARK. Yes, sir.

The CHAIRMAN. When did he get out of the penitentiary?

Mr. VANDEWARK. That I do not recall.

The CHAIRMAN. How long had he been out when he was employed for this job?

Mr. VANDEWARK. That I don't know, either, sir.

The CHAIRMAN. He was sent to the penitentiary for a killing, was he not?

Mr. VANDEWARK. That is right.

The CHAIRMAN. You know he had not been out very long had he?

Mr. VANDEWARK. Well, I can only guess, but I would say he had been out in the neighborhood of probably 16 to 18 years.

The CHAIRMAN. That long?

Mr. VANDEWARK. Yes, sir.

The CHAIRMAN. Very well. Is he a member of the union?

Mr. VANDEWARK. He was and I believe still is.

The CHAIRMAN. At that time?

Mr. VANDEWARK. He was.

The CHAIRMAN. In what capacity? Did he have any official capacity?

Mr. VANDEWARK. Not at that particular time, no, sir.

The CHAIRMAN. What job did he have at that time? Do you know?

Mr. VANDEWARK. I believe he was unemployed at that time.

The CHAIRMAN. He was unemployed at that time?

How much money was paid to Reilly?

Mr. VANDEWARK. That I do not know.

The CHAIRMAN. Did you sign any other checks to cash, to carry out this enterprise, this project? Were there any others in addition to the \$10,000 one?

Mr. VANDEWARK. I can't recall at the moment, sir.

The CHAIRMAN. Do you know E. L. Garrett?

Mr. VANDEWARK. Yes, sir.

The CHAIRMAN. Who is he?

Mr. VANDEWARK. He is the bookkeeper and accountant for Operating Engineers Local Union No. 3.

The CHAIRMAN. I now present to you a check dated May 24, 1955, made payable to cash, in the amount of \$1,968.40, signed by you as treasurer, and by C. F. Mathews, drawn on your account, local union No. 3, and under the term "for," it is "Expenses, resolution 12-4-54."

I ask you to examine that check and see if you are familiar with the check and can identify it.

(Document handed to the witness.)

Mr. VANDEWARK. Yes, sir; I can identify the check.

The CHAIRMAN. What is that check?

Mr. VANDEWARK. The check is made payable to cash in the amount of \$1,968.40. It is signed by myself, as treasurer, and cashed by, presumably, E. L. Garrett.

The CHAIRMAN. Did you have any voucher for that check, any warrant or anything to substantiate it?

Mr. VANDEWARK. No, sir.

The CHAIRMAN. Is that the money that went to Reilly?

Mr. VANDEWARK. That I couldn't say.

The CHAIRMAN. Don't you know Reilly was paid with that money, and that was in addition to the \$10,000?

Mr. VANDEWARK. I wouldn't know, sir, because I did not handle those transactions.

The CHAIRMAN. Actually the checks are dated the same day, are they not, each of them, for cash. The \$10,000 one, and this one? Aren't they of the same date?

Mr. VANDEWARK. I would have to see the previous one, sir, and compare them.

The CHAIRMAN. Show him the previous one and let him compare them.

(Document handed to the witness.)

Mr. VANDEWARK. Yes, sir, they are made on the same date.

The CHAIRMAN. They are made on the same date?

Mr. VANDEWARK. No; I am sorry. I withdraw that. The \$10,000 check is dated January 24, 1955. The check that you are questioning about is drawn May 24, 1955.

The CHAIRMAN. May 24, 1955?

Mr. VANDEWARK. Yes, sir.

The CHAIRMAN. That is after Reilly had performed his work?

Mr. VANDEWARK. That I can't recall, sir.

The CHAIRMAN. At any rate, you have no voucher or anything to substantiate that one, other than the fact you say there it is expenses in connection with the resolution upon which the other check is based?

Mr. VANDEWARK. That is all it says on the check, sir.

The CHAIRMAN. Do you have any personal recollection of that transaction?

Mr. VANDEWARK. No, sir.

The CHAIRMAN. Do you have any personal recollection of the other transaction involving the \$10,000?

Mr. VANDEWARK. None except what I have testified to here in cashing the check and carrying the money over to Mr. Swanson.

The CHAIRMAN. All right. You say you didn't get any of this \$10,000. You personally didn't get any of it?

Mr. VANDEWARK. Not that I can recall, sir.

The CHAIRMAN. Did you file any statement of expenses to draw some money out of that fund?

Mr. VANDEWARK. Not that I can recall, except if you have something that can refresh my memory, if you have any documents to show that I did—

The CHAIRMAN. Did you do any work on that project for which you submitted a bill?

Mr. VANDEWARK. I don't know whether I submitted a bill or not. I did some work on it.

The CHAIRMAN. What kind of work did you do?

Mr. VANDEWARK. Considerable, in trying to find out who the people were.

The CHAIRMAN. How did you go about it?

Mr. VANDEWARK. By asking questions in various areas where I was recalled to go on business for the union.

The CHAIRMAN. It is pretty expensive to ask questions; isn't it? Did you travel any?

Mr. VANDEWARK. Yes, sir.

The CHAIRMAN. Where did you go?

Mr. VANDEWARK. Many places, sir.

The CHAIRMAN. Name them.

Mr. VANDEWARK. Eureka.

The CHAIRMAN. Eureka—

Mr. VANDEWARK. California.

The CHAIRMAN. All right.

Mr. VANDEWARK. Salt Lake City.

The CHAIRMAN. Where else?

Mr. VANDEWARK. I can't recall at the moment where else.

The CHAIRMAN. Did you submit any bill for your expenses on those trips?

Mr. VANDEWARK. Yes, sir.

The CHAIRMAN. Who did you submit it to?

Mr. VANDEWARK. I submitted an itemized statement to Mr. Swanson.

The CHAIRMAN. Did he reimburse you?

Mr. VANDEWARK. Yes, sir. I believe he did.

The CHAIRMAN. How did he reimburse you?

Mr. VANDEWARK. If I recall correctly, sir, I believe he reimbursed me in cash.

The CHAIRMAN. In cash. Do you have any idea how much it amounted to?

Mr. VANDEWARK. I am not sure, but I believe it was somewhere in the neighborhood of \$3,000.

The CHAIRMAN. Somewhere in the neighborhood of \$3,000. How do you spend that \$3,000?

Mr. VANDEWARK. In various ways.

The CHAIRMAN. That is sufficient to start with. Now will you go a little further and explain the various ways?

I do not want to wait too long. Can you give me any idea?

Mr. VANDEWARK. I am trying to refresh my own memory. After all, 3 years, to remember specifically what you performed and did 3 years ago—

The CHAIRMAN. You were after the "construction stiff's." You know you were engaged in that project.

Mr. VANDEWARK. I had been after the "construction stiff's" for several years before that, sir. That is why I find it difficult at the moment.

The CHAIRMAN. How many years before?

Mr. VANDEWARK. I believe for a period of about 7 or 8 years previous to that.

The CHAIRMAN. Had you submitted any previous bills for reimbursement of your expenses for the "construction stiff" investigation?

Mr. VANDEWARK. No, sir; because in the early instances of the "construction stiff" newsletter I happened to be one of the particular targets of the little piece of literature.

The CHAIRMAN. You were a target of it?

Mr. VANDEWARK. Yes, sir.

The CHAIRMAN. All of you officers were targets, were you not?

Mr. VANDEWARK. Not in the beginning.

The CHAIRMAN. Not in the beginning?

Mr. VANDEWARK. No, sir.

The CHAIRMAN. They started after you first?

Mr. VANDEWARK. They started after I and one other individual.

The CHAIRMAN. Who is he?

Mr. VANDEWARK. Otto Never.

The CHAIRMAN. Where is he now?

Mr. VANDEWARK. He is the business representative for local No. 5 in Honolulu.

The CHAIRMAN. They have not been able to get you out yet; have they?

Well, I will hand you a little document here. It does not seem to be addressed to anyone. I would like you to examine it and state whether you identify it.

(Document handed to the witness.)

The CHAIRMAN. The last check presented may be made exhibit No. 46.

(The document referred to was marked "Exhibit No. 46" for reference and will be found in the appendix on p. 7880.)

Mr. VANDEWARK. Yes, sir.

The CHAIRMAN. What is it?

Mr. VANDEWARK. It is a general itemized statement of expenses spent by myself for a period of from January through May of 1955.

The CHAIRMAN. For how much?

Mr. VANDEWARK. In the amount of \$2,763.

The CHAIRMAN. \$2,763.

Mr. VANDEWARK. Yes, sir.

The CHAIRMAN. You say it is a general itemized statement. There is nothing specific in it except the names of towns and months; is that correct?

Mr. VANDEWARK. That is correct.

The CHAIRMAN. Where did you show your expenses to Eureka, Calif.?

Mr. VANDEWARK. I apparently didn't.

The CHAIRMAN. Are you sure you went to Eureka?

Mr. VANDEWARK. I went to Eureka several times, sir.

The CHAIRMAN. On this business?

Mr. VANDEWARK. Yes, sir.

The CHAIRMAN. Why didn't you submit a statement for your expenses to Eureka?

Mr. VANDEWARK. When you say "On this business," sir, are you referring to this particular expense thing we are discussing here?

The CHAIRMAN. Yes. I have been referring to it all the time.

Mr. VANDEWARK. Well, I was also referring to the investigation of the "construction news stiff" over a period of several years, sir.

The CHAIRMAN. You were going way back? I am talking about that that you got expenses for. You didn't go to Eureka, then, but only——

Mr. VANDEWARK. Apparently during that time, sir.

The CHAIRMAN. You did go to Eureka, then, during the time that you were getting paid, getting reimbursed?

Mr. VANDEWARK. No, sir; apparently not.

The CHAIRMAN. I thought maybe you had somehow failed to take care of all of your expenses. Maybe you should submit another bill. But if you say that might have been at some other time when you were not getting paid, that is it.

What other vouchers can you produce, other than that one and the one of Mr. Pat Clancy? Do you know of any others?

Mr. VANDEWARK. I do not recall of any others, sir.

The CHAIRMAN. You don't recall any others?

Mr. VANDEWARK. No, sir.

The CHAIRMAN. These receipts and vouchers were simply filed as a part of the union records, is that correct?

Mr. VANDEWARK. They were turned over to Mr. Swanson.

The CHAIRMAN. These were turned over to Mr. Swanson?

Mr. VANDEWARK. Yes, sir.

The CHAIRMAN. Well, properly, they would be a part of the union records, would they not, if there was union money spent for it?

Mr. VANDEWARK. It could be, sir.

The CHAIRMAN. Is there anything else?

Senator CURTIS. Mr. Vandewark, you have listed here for Sacramento for January, February, and April of 1955, \$1,381. During that time did you draw any other expense money from the union for your trips or maintenance in Sacramento other than from this particular fund?

Mr. VANDEWARK. I believe I did, sir.

Senator CURTIS. Now, as to Salt Lake City for February and March of 1955, \$860. Did you draw any other travel and maintenance expense money for visiting Salt Lake City at that time, other than this \$860 shown here?

Mr. VANDEWARK. I believe I did; yes, sir.

Senator CURTIS. And it says at Reno, for April and May, \$522. Did you draw any expense money for travel and maintenance out of other union funds other than this \$522 for visiting Reno in April and May?

Mr. VANDEWARK. I believe I did, sir.

Senator CURTIS. Then, as a matter of fact, you were paid for making these trips through the regular method of handling union funds, were you not?

Mr. VANDEWARK. No, sir; not for those.

Senator CURTIS. Not for those?

Mr. VANDEWARK. Those that are listed on the sheet you have in front of you.

Senator CURTIS. I misunderstood your answers to the other questions, then.

Mr. VANDEWARK. You apparently did.

Senator CURTIS. I understood you to say that you did draw expenses from other union funds for these same trips.

Mr. VANDEWARK. I said I believe I did.

Senator CURTIS. What was this \$1,381 used for in Sacramento?

Mr. VANDEWARK. Most of that money was used, sir; at that time a measure was before the California body, a so-called right-to-work movement had been started. At that time the "anti" forces were busy there, and that money was spent in the city of Sacramento which happens to be the capital of California where the legislative bodies met.

Senator CURTIS. Then this was not used on this activity of fighting the "construction stiff's"?

Mr. VANDEWARK. Not entirely, no, sir. There were antiunion forces also.

Senator CURTIS. How about this \$860 in Salt Lake City. What was that used for?

Mr. VANDEWARK. For exactly the same purpose, and there now exists on the statute books of the State of Utah a right-to-work law.

Senator CURTIS. So this money gotten out and turned over to Mr. Swanson, and then some of it coming back to you, was not all used then for the fight against the "construction stiff's"; is that right?

Mr. VANDEWARK. It was used for a fight against antiunion movements, and not exactly the "construction stiff's" alone, no, sir.

Senator CURTIS. Well now, the "construction stiff's" were not antiunion, were they?

Mr. VANDEWARK. Apparently they were. They were trying to disrupt and disorganize the organization.

Senator CURTIS. They wanted new officers, did they not?

Mr. VANDEWARK. No.

Senator CURTIS. Did they not want a change of officers? What did they complain of in their literature?

Mr. VANDEWARK. Many things.

Senator CURTIS. What did they complain of?

Mr. VANDEWARK. They complained the size of the organization and they complained of the officers, and they complained of the contracts that the local union had with the contractor associations, and they complained of the acts of individual officers and individual members.

Senator CURTIS. And anything else? None of that makes them antiunion, does it? What they wanted was new management in the union, was that not right?

Mr. VANDEWARK. They wanted more than that.

Senator CURTIS. That is all, Mr. Chairman.

Senator GOLDWATER. Mr. Vandewark, could you identify more specifically who this group was that you called "construction stiff's"?

Mr. VANDEWARK. Well, Senator, I would answer your question in this manner: During the time that Mr. Swanson was under Federal indictment, I collaborated with the FBI in the furnishing of names of individuals whom I believed were responsible for the edition of the "construction stiff's" news. To this day I have no personal knowledge who those particular individuals are.

I can only say that it is a suspicion, and nothing more.

Senator GOLDWATER. Did you ever find out who they were then, during all of your investigation and all of the money you spent on it?

Mr. VANDEWARK. I found out who some of them were and not all of them.

Senator GOLDWATER. Was it a large segment of your union?

Mr. VANDEWARK. No, a very small segment.

Senator GOLDWATER. What were their specific charges against the union?

Mr. VANDEWARK. That the union was undemocratic.

Senator GOLDWATER. Before we go to the next one, would you agree with them on that, now that you think back?

Mr. VANDEWARK. I do not know whether I would agree with them or not.

Senator GOLDWATER. Well, for instance, this morning testimony was given to the effect that this \$9,500 was used for political purposes, internal politics of the union. It was clearly established at least in my mind, that this money, dues money of the members, was going to support particular candidates who were obviously the choice of those in power.

Now, is that a democratic process?

Mr. VANDEWARK. Well, I assume it could be because the same policies are practiced by both the Republican and Democratic parties.

Senator GOLDWATER. We are getting into a different thing. The Democratic and Republican Parties are voluntary organizations and you do not have to belong to them and you do not have to pay dues to belong to them, but you have to belong to a union in many cases to have work and you have to pay dues.

Forget national and local politics and we are talking about democratic processes. Is it right in your mind now as you think back, to have used dues money to back candidates without consulting the membership at large as to their choice of candidates?

Mr. VANDEWARK. Senator, a union is in the same condition as either the Republican or Democratic Party. It is a voluntary organization and you do not have to belong.

Senator GOLDWATER. That is not the way the Taft-Hartley law reads.

Mr. VANDEWARK. I was going to say, with the exception of what the Taft-Hartley law provides.

Senator GOLDWATER. That is the governing law in labor-management relations and you have to belong where there is a bargaining agreement and you know that as well as I do.

Mr. VANDEWARK. That is right.

Senator GOLDWATER. It is not a voluntary organization. Now, what else did they complain of?

Senator CURTIS. Before you leave that democratic process, would you yield for one question.

Would you say that the way that Mr. Swanson ran this local union, that it was democratically run?

Mr. VANDEWARK. No, I would not say it was democratically run under his administration.

Senator CURTIS. That is what the "construction stiff's" said, too; did they not?

Mr. VANDEWARK. That is correct.

Senator GOLDWATER. What other charges did the "construction stiff's" make?

The CHAIRMAN. After all of the money you spent and all of the exercise you took in this affair, can you not think faster than that about the accusations made against you? I want to give you all of the

time, but we have gotten down to slow motion here. Let us move along a little.

Mr. VANDEWARK. Senator, let me say this, that I can think, and think quite fast, but I hope to choose my words so that they may not be misinterpreted by the committee.

The CHAIRMAN. We do not want to misinterpret anything and I will give you time to choose your words, but surely you can think. It took 10 minutes here to get "undemocratic processes" out of you, when you finally admitted you knew it was being run undemocratically.

Now, go ahead, but let us move along.

Mr. VANDEWARK. Well, one of their serious complaints was that they felt that certain districts should have preference over others, as far as the collective-bargaining agreements were concerned.

The collective-bargaining agreement in the instance they were complaining of was the northern California agreement with the Associated General Contractors. They thought certain areas should be given special treatment, whereas the whole area of northern California was treated as one.

Senator GOLDWATER. Did you ever give those recommendations any consideration in your meetings?

Mr. VANDEWARK. They were argued many times in the regular meetings of the union.

Sentor GOLDWATER. And the "construction stiff's" were allowed to stand up in the meetings and voice their complaints?

Mr. VANDEWARK. That is correct. No man was ever denied the opportunity of speaking to the floor.

Senator GOLDWATER. Were there any other complaints that they made?

Mr. VANDEWARK. Yes, sir, they objected to my participation in a small water company in Crescent City, Calif.

Senator GOLDWATER. Why did they object to that?

Mr. VANDEWARK. They believed that a local union officer had no business in any other business except the union and that only.

Senator GOLDWATER. Was there any union money ever used in this water company?

Mr. VANDEWARK. No, sir.

Senator GOLDWATER. There was no union money used to rehabilitate it or fiix it up?

Mr. VANDEWARK. No, sir.

Senator GOLDWATER. Now, I have a copy of this "construction stiff's" news and I will read another charge in here and ask you if it is substantially correct or correct at all. One paragraph says:

The Governor should be told that if he continues to fool around with the Operating Engineers, beginning with Victor Swanson, he will very soon be associating with people who very definitely are not nice people. For, coupled and associated with the Delaneys, DeKonings, and Maloneys and the Fays and others in the past, are confreres Never, Vandewark, Clem, and Ed Doran and his brother Vern (accomplice in the Eagan murder case), known as Joe Riley.

Would that charge be true, that you have associated with these people, particularly Mr. Fay?

Mr. VANDEWARK. To my knowledge, I only saw Mr. Fay once in my life.

Senator GOLDWATER. How about the others?

Mr. VANDEWARK. Mr. Maloney, who is general president of the International Union of Operating Engineers, I have associated with many times.

Senator GOLDWATER. After you investigated these "construction stiff," whatever happened as a result of the investigation?

Mr. VANDEWARK. Well, Senator, let me answer the question in this manner, that the result of the investigation was not as planned but the investigation did bring about a Federal indictment of Mr. Swanson.

The CHAIRMAN. Before we go to some other subject matter, the Chair wishes to make as exhibit No. 47 the statement of expense submitted by Mr. Vandewark, which he has previously identified.

(The document referred to was marked "Exhibit No. 47" for reference and will be found in the appendix on p. 7881.)

The CHAIRMAN. All right, Mr. Vandewark, I present to you another check dated March 12, 1956, in the amount of \$21,000 made payable to cash, drawn by you and Mr. Mathews and countersigned by Mr. Swanson. I will ask you to examine this check and see if you identify it.

(A document was handed to the witness.)

Mr. VANDEWARK. Yes, sir; I can identify it.

The CHAIRMAN. All right, the witness identifies the check and it will be made exhibit No. 48.

(The document referred to was marked "Exhibit No. 48" for reference and will be found in the appendix on p. 7882.)

The CHAIRMAN. Tell us what that check is for. First tell me who endorsed it and got the money.

Mr. VANDEWARK. I did.

The CHAIRMAN. You endorsed it and got the money?

Mr. VANDEWARK. I did not get the money on it.

The CHAIRMAN. You initially got it when you endorsed the check, and you cashed the check, did you?

Mr. VANDEWARK. I turned the check in to American Trust and got two cashiers checks for it.

The CHAIRMAN. Then instead of getting money you got two cashiers checks?

Mr. VANDEWARK. Yes, sir.

The CHAIRMAN. Is that correct?

Mr. VANDEWARK. That is right.

The CHAIRMAN. I present to you the two photostatic copies now, of the two cashiers checks you got—one in the amount of \$18,459 made payable to Ken Garff Co., and another one in the amount of \$2,477 made payable to Ken Garff Co., cashiers check on the American Trust Co. Bank, and each of them are dated March 12, 1956.

One is No. 7008 and the other is No. 7009. I will ask you to examine those photostatic copies of checks and state if you identify them.

(Documents were handed to the witness.)

Mr. VANDEWARK. Yes, sir; I do.

The CHAIRMAN. Are those the cashiers checks that you got in lieu of the \$21,000 check that I presented to you a moment ago?

Mr. VANDEWARK. Yes, sir.

The CHAIRMAN. Did you get \$64 in cash in addition to the two checks?

Mr. VANDEWARK. Yes, sir.

The CHAIRMAN. That makes a total of \$21,000.

Mr. VANDEWARK. That is correct.

The CHAIRMAN. Those two checks will be made exhibits 49 and 50. (The documents referred to were marked "Exhibits Nos. 49 and 50" for reference and will be found in the appendix on pp. 7783-7786.)

The CHAIRMAN. Who endorsed those cashier's checks?

Mr. VANDEWARK. Ken Garff Co., Salt Lake City.

The CHAIRMAN. Both of them?

Mr. VANDEWARK. Yes, sir.

The CHAIRMAN. All right, Mr. Kennedy, you may proceed.

Mr. KENNEDY. What is the Ken Garff Co.?

Mr. VANDEWARK. They are the Oldsmobile dealers in the city of Salt Lake.

Mr. KENNEDY. What were those checks used for?

Mr. VANDEWARK. One check which is No. 7008 in the amount of \$18,459 was used for the purchase of 7 Oldsmobile cars.

Mr. KENNEDY. How many?

Mr. VANDEWARK. Seven of them.

Mr. KENNEDY. To whom did those seven Oldsmobile cars go?

Mr. VANDEWARK. To business representatives of local No. 3.

The CHAIRMAN. Can you name them?

Mr. VANDEWARK. Mr. Chairman, I find it impossible to do because we have 54 automobiles.

The CHAIRMAN. They were bought for use of some of your business agents?

Mr. VANDEWARK. That is correct.

Mr. KENNEDY. Then you say that was for 7 automobiles, and that amounted to a little over \$18,000. What happened to the rest of the money?

Mr. VANDEWARK. The rest of the money, the other cashier's check went for a payment of an Oldsmobile Holiday coupe, standard, which I purchased for my son, for his 20th birthday.

Mr. KENNEDY. The rest of the money, some \$2,500 of union funds was used to buy an automobile for your son's birthday?

Mr. VANDEWARK. \$2,477, Mr. Kennedy.

Mr. KENNEDY. It was used to buy an automobile, an Oldsmobile, for your son's birthday?

Mr. VANDEWARK. Yes, sir.

Mr. KENNEDY. Did the union vote to give your son a birthday present of an Oldsmobile?

Mr. VANDEWARK. The union had nothing to do with this, sir. I turned over to Mr. Swanson \$2,477 of my own personal money, plus the \$64, the remainder of the \$21,000 after I obtained the two cashier's checks.

Mr. KENNEDY. You did what? You turned over to him in cash—

Mr. VANDEWARK. I turned over to Mr. Swanson \$2,477 in cash plus the \$64 that was the remainder of the \$21,000 after the purchase of the 2 cashier's checks.

Mr. KENNEDY. Why did you handle that transaction in that fashion, Mr. Vandewark?

Mr. VANDEWARK. I don't know. It was rather foolish, I will admit.

Mr. KENNEDY. Do you have any evidence at all that you did turn over \$2,400 to Mr. Swanson?

Mr. VANDEWARK. No evidence except my word, that's all.

Mr. KENNEDY. You are the treasurer and is that the best way you could think of handling this transaction? Couldn't you have given him a check or made a check out to the union, either one of those possibilities?

Mr. VANDEWARK. Mr. Kennedy, I just got through saying it was rather a foolish manner in which to handle a transaction and I don't know what more answer you can expect.

The CHAIRMAN. Let me ask you something else. Where do you live? In California?

Mr. VANDEWARK. Yes, sir.

The CHAIRMAN. You go down there to Salt Lake City and you buy a birthday present for your son, an automobile, paying over \$2,400 for it, and you have the union issue you a check for cash to get enough money to do that.

Now, if you had the cash in your pocket, why did you have the union issue a check for cash so you could get enough money to do that and then you give the money back to Swanson?

Mr. VANDEWARK. That is what should have been done. It wasn't.

The CHAIRMAN. What did Swanson do with the money?

Mr. VANDEWARK. I don't know.

The CHAIRMAN. Did it ever get back into the union?

Mr. VANDEWARK. No, sir.

The CHAIRMAN. You were treasurer, were you not?

Mr. VANDEWARK. That's right.

The CHAIRMAN. You had a duty toward its funds, did you not?

Mr. VANDEWARK. That's right.

The CHAIRMAN. You let \$2,477 get away from the union by this sort of a transaction, so you get a car for your son, and so Swanson could get \$2,477 of union money out; is that right?

Mr. VANDEWARK. Apparently, it is the way it looks.

The CHAIRMAN. It certainly looks that way. Do you have any other explanation of it?

Mr. VANDEWARK. No, sir.

The CHAIRMAN. Thank you.

Senator CURTIS. Where did you secure the \$2,400 that you turned over to Swanson?

Mr. VANDEWARK. Where did I procure it?

Senator CURTIS. Yes.

Mr. VANDEWARK. Part of it from my savings account and part of it from winnings that I had made in the city of Reno, gambling.

Senator CURTIS. What was the name of the savings bank?

Mr. VANDEWARK. The American Trust Co.

Senator CURTIS. Where was it located?

Mr. VANDEWARK. In San Francisco.

Senator CURTIS. What is the address?

The CHAIRMAN. It is in the same block as the union headquarters.

Senator CURTIS. I have never been there.

Mr. VANDEWARK. 1610 Valencia Street.

Senator CURTIS. How much did you draw out of there?

Mr. VANDEWARK. I believe that I withdrew \$1,000.

Senator CURTIS. What date did you draw it out?

Mr. VANDEWARK. I can't recall, sir.

Senator CURTIS. Do you have it?

Mr. KENNEDY. It is February 14, and he withdrew the money on February 14, Senator, \$1,000. That is approximately a month before this transaction went through.

Senator CURTIS. You drew it out knowing this transaction was going to go through?

Mr. VANDEWARK. Pardon me.

Senator CURTIS. You drew it out knowing this transaction was going to go through?

Mr. VANDEWARK. Yes, sir.

Senator CURTIS. And the \$1,400 was winnings in Reno?

Mr. VANDEWARK. \$1,250, sir, was the winnings in Reno.

Senator CURTIS. Did you report the \$1,250 in your income tax?

Mr. VANDEWARK. No, sir; because I had a loss during the year.

The CHAIRMAN. You also had that gain. Did you add this to the gain so you could take the loss from the total gain?

Mr. VANDEWARK. I believe that my income tax so reflects; I believe it does.

The CHAIRMAN. It can be easily checked.

Proceed.

Senator MUNDT. As treasurer of the local No. 3, are you a bonded official?

Mr. VANDEWARK. Yes, sir, Senator, I answered that question previously to your coming in.

Senator MUNDT. I did not hear the question because I was not here, but I would like to know. If this has been asked before, the answer would also be in the record.

Did the union take recourse to the bonding company for the \$2,400 that it obviously lost on this automobile transaction?

Mr. VANDEWARK. There has been no action taken, sir.

Senator MUNDT. Why not? If there is a loss to the union the purpose of the bond is to protect the union, is it not?

Mr. VANDEWARK. That is correct.

Senator MUNDT. Why do they not take action? Whose responsibility is it, if not yours, to instigate the action. You know the union lost the money. Why did you not take action?

Mr. VANDEWARK. There has been no action taken, sir, and why I can't answer.

Senator MUNDT. Let us break the questions down in bits and parts. Is it your responsibility to initiate the action and if not, whose responsibility is it?

Mr. VANDEWARK. I believe under the constitution it is part of my responsibility and not entirely, I believe.

Senator MUNDT. Who shares it with you?

Mr. VANDEWARK. If I am not mistaken, the other officers or constitutional officers.

Senator MUNDT. Is Mr. Swanson one of those?

Mr. VANDEWARK. He is not a constitutional officer as such.

Senator MUNDT. Is he one who shares the responsibility?

Mr. VANDEWARK. He does, or he did as local union manager.

Senator MUNDT. Of course we could eliminate him. He would not initiate the action because he got the money and this would get him in trouble with the bonding company, so we know why he did not do it. Why did you not do it? You tell us that your hands are clean and

your job is to protect the money collected from the hard-working members of the union; is that not right?

Mr. VANDEWARK. That is correct.

Senator MUNDT. That is why they have a treasurer. Through your carelessness or duplicity, \$1,200 disappears, and we are going to consider it carelessness for the moment, but you compound the carelessness when you failed then, to take action in order to get the money back to these members who have to pay dues from their paychecks to support the union.

Theoretically that is to maintain better working conditions or maintain a strike fund or maintain a pension fund, and certainly not just to maintain a Roman holiday for a bunch of union officers to use in purchasing cars, and making withdrawals of accounts for gambling ventures down in Reno or anywhere else. That is not one of the purposes of this money so I return to my question:

I am perfectly willing to accept your explanation thus far that it was carelessness when you originally took the money but why have you not instigated action to get it restored?

Mr. VANDEWARK. Well, I would still say it is a neglect of duty in not doing so.

Senator MUNDT. By you?

Mr. VANDEWARK. That is correct.

Senator MUNDT. Because if your story is correct, then Mr. Swanson should have returned the money to the treasury; is that not right?

Mr. VANDEWARK. That is right.

Senator MUNDT. Which he did not do.

Mr. VANDEWARK. Yes, sir.

(At this point the following were present: Senators McClellan, Goldwater, Mundt, and Curtis.)

Senator CURTIS. Who was with you when you made the \$1,250 winning in Reno?

Mr. VANDEWARK. My wife.

Senator CURTIS. Anybody else?

Mr. VANDEWARK. No, sir.

The CHAIRMAN. Mr. Vandewark, what is your son's name?

Mr. VANDEWARK. Wallace.

The CHAIRMAN. How old is he?

Mr. VANDEWARK. He will be 22 on April 6, 1958.

The CHAIRMAN. Did you take out registration on this car last year, 1957?

Mr. VANDEWARK. Yes, sir.

The CHAIRMAN. In whose name?

Mr. VANDEWARK. The car is still registered in my name.

The CHAIRMAN. Still in your name?

Mr. VANDEWARK. Yes, sir.

The CHAIRMAN. This is the registration certificate, is it?

Mr. VANDEWARK. That is the registration certificate I furnished the committee, yes, sir.

The CHAIRMAN. That may be made exhibit No. 51.

(The document referred to was marked "Exhibit No. 51" for reference and will be found in the appendix on p. 7787.)

The CHAIRMAN. It is a little strange to me that you keep it in your name with a boy 21 years old.

Mr. KENNEDY. You withdrew the \$1,000 on February 14?

Mr. VANDEWARK. I believe that is the date.

Mr. KENNEDY. And the cars were not purchased until March 12?

Mr. VANDEWARK. The cars were paid for on March 12.

Mr. KENNEDY. Do you know what day the cars were ordered?

Mr. VANDEWARK. The cars were ordered previous to that date. I am not sure.

Mr. KENNEDY. The cars were ordered on March 9.

Mr. VANDEWARK. The purchase orders were written up on March 9. Negotiations had been in progress prior to that time.

Mr. KENNEDY. Will you tell the committee, if the reason for withdrawing the \$1,000 in cash was to pay for the cars, why did you withdraw it back on February 14? Do you have any answer to that?

Mr. VANDEWARK. I am trying to think of the reason why I did it. I can't recall at the moment why it was done at that particular time, no, sir.

Mr. KENNEDY. The story just does not seem to make any sense. Did you know at that time that you were going to win the difference in gambling on March 5?

Mr. VANDEWARK. No, sir.

Mr. KENNEDY. You did not know. Where were you going to get the difference in money?

Mr. VANDEWARK. From my wife, Mr. Kennedy.

Mr. KENNEDY. She was going to turn it over to you?

Mr. VANDEWARK. Yes, sir.

Mr. KENNEDY. And you won the difference in gambling instead?

Mr. VANDEWARK. Yes, sir.

Mr. KENNEDY. Why didn't you just write a check at that time? Once you had won the money on March 5, as you say, and you had the \$1,000 on February 14, why didn't you write a check for the purchase of the automobile?

Mr. VANDEWARK. Because the money wasn't put in the bank.

Mr. KENNEDY. Then why didn't you put it in the bank and write a check, or why didn't you write a check for a lesser amount for the union? You wrote the union check for \$21,000. All you needed from the union was \$18,000, or \$18,500. Why didn't you just write on the union check \$18,500, and put the rest of the money in of your own?

Mr. VANDEWARK. Mr. Kennedy, all checks were written on the instructions of one person. Mr. Swanson directed how all checks should be made.

Mr. KENNEDY. This is including a car for Mr. Vandewark.

Mr. VANDEWARK. That is correct. I will withdraw that. It wasn't correct. It wasn't including the car for Mr. Vandewark. Mr. Vandewark had the money to pay for the car himself.

Mr. KENNEDY. But the \$21,000 purchased an extra car. The extra car was for you.

Mr. VANDEWARK. That is correct.

Mr. KENNEDY. You didn't have to make out a check for the whole \$21,000.

Mr. VANDEWARK. No, sir. I said it was a foolish transaction before.

Mr. KENNEDY. I want to get an explanation as to why you just didn't make out a check for \$18,500 and fill in the rest with your own money.

Mr. VANDEWARK. Mr. Kennedy, I just got through telling you that

Mr. Swanson directed the check to be made out in the amount of \$21,000. Just a moment. If you will, please, let me finish my statement.

Mr. KENNEDY. All right.

Mr. VANDEWARK. I was to obtain a cashier's check in the amount of eighteen-thousand-four-hundred-and-some-odd dollars, and to return to him the remainder in cash.

Mr. KENNEDY. For what reason?

Mr. VANDEWARK. Following his instructions. That is the man directing me to do so, and I went and did it.

Mr. KENNEDY. This just does not make any sense at all, Mr. Vandewark.

Mr. VANDEWARK. Apparently it doesn't to you, but it does to me.

The CHAIRMAN. You are about the only one it makes any sense to. Proceed.

Mr. KENNEDY. Let me ask you about another item.

The CHAIRMAN. What I cannot understand is this: Swanson telling you to make out a check on union funds, telling you to buy yourself a car, and you doing it as treasurer. It makes sense that if the union is only going to get 7 cars, that is all you should have written the check for.

I do not understand why Swanson would be interested in having you write the check for an additional amount to purchase you a car and then have you give him the cash for your car, except that it was to get this money out of the union treasury and away from the boys who did the work and paid the dues. You were a party to it, and you were bound to have been, as treasurer of that union. If you knew that was the way it was to be handled, you were a party to it, and knew at the time that it was wrong; didn't you?

Mr. VANDEWARK. Yes, sir; I knew it was wrong. But I think if you will look at the warrant which accompanied that \$21,000 check, you will find attached thereto 7 orders for automobiles which totals \$21,000.

The CHAIRMAN. That is correct. You even wrote a warrant out for the seven cars.

Mr. VANDEWARK. Attached to that warrant, sir, were the purchase orders for seven automobiles.

The CHAIRMAN. It says seven cars on the warrant.

Mr. VANDEWARK. Attached to that warrant, sir, were the purchase orders for the 7 automobiles, totaling \$21,000.

The CHAIRMAN. It is first made out for six cars. Here is the warrant. Look at it and see if you identify that warrant.

(The document was handed to the witness.)

The CHAIRMAN. Wasn't it first made out for six cars on the typewriter?

Mr. VANDEWARK. Yes, sir.

The CHAIRMAN. And that is stricken out by pen or pencil, the 6 cars, and there is inserted the 7 cars.

Mr. VANDEWARK. That is correct.

The CHAIRMAN. Did you make that change?

Mr. VANDEWARK. No, sir.

The CHAIRMAN. Did you sign that warrant?

Mr. VANDEWARK. No, sir.

The CHAIRMAN. But the warrant was originally made out for six cars for the union. That is correct, isn't it? Then it was changed to make it 7 cars, so as to justify issuing the check for the \$21,000. Is that correct?

Mr. VANDEWARK. As I told you, Senator——

The CHAIRMAN. That is correct, isn't it? It shows that on the face of it?

Mr. VANDEWARK. It shows on the face of it that it was originally written for 6 and then changed to 7. Whether it was prior to the time the warrant was signed or afterward, I have no knowledge.

The CHAIRMAN. O. K.

Mr. KENNEDY. I hate to add confusion to this, Senator, but actually eight automobiles were ultimately purchased. The union got the seven and Mr. Vandewark got the eighth. He is the one that wrote the check, went across the street and got the two cashier's checks.

The CHAIRMAN. That makes it worse. The warrant was for only 7 cars, and the check was for 8.

Mr. KENNEDY. Yes.

The CHAIRMAN. The check was for one more car than the warrant called for.

Mr. KENNEDY. That is correct.

Senator GOLDWATER. Something here puzzles me. I am confused. You say that Mr. Swanson ordered you to write the check for \$21,000?

Mr. VANDEWARK. No, sir. I didn't say that. He directed a check to be made, and the check was brought in for my signature.

Senator GOLDWATER. All right. He knew that the 7 cars for the union were going to total \$18,500. How did he know about your desire to have a car?

Mr. VANDEWARK. How did he know about my desire to have a car?

Senator GOLDWATER. Yes.

(At this point, Senator McClellan left the hearing room.)

Mr. VANDEWARK. During the progress of negotiations for the automobiles, which were picked up at the factory, when I discovered the amount of money that could be saved by driving a car from the factory, I discussed it with my wife and we decided to buy my son, by a previous marriage, this automobile. I told Mr. Swanson while he was ordering the cars for the union, to tell the company that I wished a car for myself.

Senator GOLDWATER. Why did Mr. Swanson include your car in the check that was written on union funds?

Mr. VANDEWARK. Mr. Swanson didn't.

Senator GOLDWATER. Mr. Swanson directed, as I understand it, that the check be drawn for \$21,000.

Mr. VANDEWARK. Senator Goldwater, what I tried to explain to Senator McClellan a moment ago was that this warrant—and why they are missing at the moment, I am unable to understand—attached to this warrant were the orders, the purchase orders, for 7 automobiles in the amount of \$3,000 apiece. They were accompanying this warrant.

Senator GOLDWATER. Where does the eighth car come in?

Mr. VANDEWARK. Actually, sir, the true price of the cars was eighteen-thousand-four-hundred-and-some-odd dollars. The correct amount I cannot remember at the moment.

Senator GOLDWATER. Are we not getting pretty close to the truth in this when you, in effect, charge the union the retail price and you took advantage of the wholesale price that the dealer gave you and got your car on the savings that should have gone to the union? Isn't that about it?

Mr. VANDEWARK. No, sir.

Senator GOLDWATER. How do you explain it?

Mr. VANDEWARK. How do I explain it?

Senator GOLDWATER. How do you explain this \$21,000 being endorsed by Mr. Swanson without some connivance with you as to how it was going to be handled?

Mr. VANDEWARK. I was aware of what was going on. I can't say I wasn't aware of it.

Senator GOLDWATER. You knew about it all along?

Mr. VANDEWARK. Yes, sir.

Senator GOLDWATER. That is the point I was confused on. I thought probably when you got up there you had an extra \$2,477 of the union money and you did not want it to go back, so you got a car.

I am satisfied. You have unconfused me.

Thank you.

Senator MUNDT. Mr. Vandewark, I have been looking at the constitution of the International Union of Operating Engineers. I want to call your attention to one clause in it. I think it has been read previously at these hearings. Under the duties of the treasurer, article 23, subdivision 2, section (e), it says, in part:

It shall be the duty of the treasurer to make no disbursements without approval of the local union, and only upon written order of the president and recording corresponding secretary.

I presume you had a written order from Mr. Swanson to make out this check; is that right?

(At this point, Senator McClellan entered the hearing room.)

Mr. VANDEWARK. Senator, the warrant is here signed by the president and secretary.

Senator MUNDT. Where is the written order?

Mr. VANDEWARK. That constitutes the written order.

Senator MUNDT. That is the written order.

Is it cosigned by the corresponding secretary?

Mr. VANDEWARK. It is signed by, presumably—

Senator MUNDT. Read the names of the men who signed it.

Mr. VANDEWARK. Pat Clancy, president; C. F. Mathews, secretary.

Senator MUNDT. Clancy and Mathews.

The CHAIRMAN. Let the warrant be made exhibit No. 52.

(The document referred to was marked "Exhibit No. 52" for reference and will be found in the appendix on p. 7888.)

Mr. KENNEDY. This morning we mentioned a check for \$10,000, which was supposed to have been used to promote and lobby for the pension fund at the 1956 convention. Are you familiar with that?

Mr. VANDEWARK. Yes, sir.

Mr. KENNEDY. Did you receive any money out of that?

Mr. VANDEWARK. Yes, sir.

Mr. KENNEDY. How much money did you receive?

Mr. VANDEWARK. I believe \$400.

Mr. KENNEDY. \$400. A cashier's check?

Mr. VANDEWARK. Yes, sir.

Mr. KENNEDY. Did you receive any other money?

Mr. VANDEWARK. Yes, sir.

Mr. KENNEDY. How much?

Mr. VANDEWARK. I believe I received an additional \$500.

Mr. KENNEDY. For what purpose did you receive that money?

Mr. VANDEWARK. Delegates' expense to the international convention.

Mr. KENNEDY. You already had your expenses from the regular fund; what did you get the extra \$900 for?

Mr. VANDEWARK. It is customary, when you attend conventions, to be given a convention expense check.

Mr. KENNEDY. You got expense convention checks. This was something that was made out to the American Trust Co., and cashed, and then these various cashier's checks were purchased with that cash. In addition to this \$900 that you received, you also received your regular expenses. Do you have any explanation for receiving this \$900?

Mr. VANDEWARK. As I stated, Mr. Kennedy, I got a \$500 check, a convention expense check. I got the \$400 cashier's check, which you are now speaking of.

Mr. KENNEDY. Did you get any other cashier's check?

Mr. VANDEWARK. Not that I recall, sir.

Mr. KENNEDY. Do you think it is possible that you might have gotten another \$500 cashier's check?

Mr. VANDEWARK. I have reason to doubt that I did.

Mr. KENNEDY. Do you deny that you did?

Mr. VANDEWARK. No, I wouldn't deny it.

Mr. KENNEDY. Do you know that the minutes were altered, on this \$10,000 payment?

Mr. VANDEWARK. I was not aware of the fact that the minutes had been altered or changed until the international auditor was sent in to local 3 to audit the finances and records of local 3. At that time I became aware of the alterations.

Mr. KENNEDY. You spoke of having a son. Do you have any other children?

Mr. VANDEWARK. Yes, sir. I have two daughters.

Mr. KENNEDY. Do either of the daughters ever do any typing for you?

Mr. VANDEWARK. No, sir.

Mr. KENNEDY. They never do?

Mr. VANDEWARK. No, sir.

Mr. KENNEDY. What are your daughters' names?

Mr. VANDEWARK. My oldest daughter, her name is Jean, Dora Jean.

Mr. KENNEDY. What is her last name?

Mr. VANDEWARK. Williams.

Mr. KENNEDY. What is your other daughter's name?

Mr. VANDEWARK. Joanne.

Mr. KENNEDY. Joanne what?

Mr. VANDEWARK. Vandewark.

Mr. KENNEDY. Did Mrs. Williams ever do any typing for you?

Mr. VANDEWARK. No, sir.

Mr. KENNEDY. Never did any typing at all?

Mr. VANDEWARK. No, sir.

Mr. KENNEDY. Never did any typing of union documents for you?

Mr. VANDEWARK. No, sir. I have no reason to type union documents.

Mr. KENNEDY. Any letters for the union? Did she ever do any typing like that for you?

Mr. VANDEWARK. No, sir.

Mr. KENNEDY. Specifically, did you bring over these minutes to her home and have them altered at her home?

Mr. VANDEWARK. No, sir.

Mr. KENNEDY. We just talked to her at home over the phone about a quarter to 2, and she said she did a lot of typing for you for the union. Do you know why she would tell us that?

Mr. VANDEWARK. No.

Mr. KENNEDY. And she said to the best of her recollection, she thought she had done some typing of minutes for you, that you had brought them over to her home.

Mr. VANDEWARK. I don't believe so.

Mr. KENNEDY. Do you know why she would tell us that?

Mr. VANDEWARK. No, sir.

Mr. KENNEDY. You didn't bring these over and have them altered?

Mr. VANDEWARK. No, sir.

Mr. KENNEDY. Did she ever go down to the union hall for you?

Mr. VANDEWARK. No, sir.

Mr. KENNEDY. She never did?

Mr. VANDEWARK. No, sir.

Mr. KENNEDY. She never did any typing in the union hall for you?

Mr. VANDEWARK. No, sir. She worked in the building, but not in the particular portion occupied by local No. 3. She worked for the insurance company office downstairs for a period of time.

(At this point, Senator Ervin entered the hearing room.)

Mr. KENNEDY. But she never came up to your office and did some typing regarding union documents for you?

Mr. VANDEWARK. No, sir.

Mr. KENNEDY. Are you sure of that?

Mr. VANDEWARK. Yes, sir.

Mr. KENNEDY. Do you know why she would tell us that she had?

Mr. VANDEWARK. I have no idea.

Mr. KENNEDY. Specifically, do you know why she would say she had done some typing at home for you regarding union documents?

Mr. VANDEWARK. Regarding union documents?

Mr. KENNEDY. Yes.

Mr. VANDEWARK. No, sir; I have no idea why she would.

Mr. KENNEDY. Would you deny that she did?

Mr. VANDEWARK. Yes, sir.

Mr. KENNEDY. And you deny you had her retype these minutes and alter them, and they have been altered?

Mr. VANDEWARK. Yes, sir.

Mr. KENNEDY. Did you know that this land—

The CHAIRMAN. I present to you a photostatic copy of check No. 7101, a cashier's check on the American Trust Co., in the amount of \$400, made payable to you, Mr. Vandewark, dated March 3, 1956, and ask you if you identify that check as the one that you have spoken of about receiving \$400 for your expenses to this convention.

(Document handed to the witness.)

Mr. VANDEWARK. Yes, sir; I received this.

The CHAIRMAN. That may be made exhibit 53.

(The document referred to was marked "Exhibit No. 53" for reference and will be found in the appendix on p. 7889.)

The CHAIRMAN. Proceed.

Mr. KENNEDY. How are the insurance funds handled, the pension funds in your union? Do you have a broker on that?

I am speaking of the health and welfare funds.

Mr. VANDEWARK. The health and welfare funds? Yes, sir. There are, to my knowledge, three brokers of record.

Mr. KENNEDY. Who are they?

Mr. VANDEWARK. Martin Siegel Co., of New York; C. W. Sweeney Co., of San Francisco; and Donald A. Cameron.

Mr. KENNEDY. Who is Donald A. Cameron?

Mr. VANDEWARK. A real estate and insurance broker.

Senator MUNDT. Living where?

Mr. VANDEWARK. San Francisco.

Mr. KENNEDY. Was he also a partner at one time of Marshall Swanson, Victor Swanson's son?

Mr. VANDEWARK. I understand that was so.

Mr. KENNEDY. And he is a broker on this insurance fund?

Mr. VANDEWARK. On one portion of it.

Mr. KENNEDY. Was he also on the public utilities commission with Victor Swanson?

Mr. VANDEWARK. Yes, sir.

Mr. KENNEDY. Had he had any experience as a broker prior to this time? That is, on health and welfare plans?

Mr. VANDEWARK. I am not in a position to judge that, sir.

Mr. KENNEDY. Did he put a bid in to receive this business?

Mr. VANDEWARK. Not that I was aware of; no, sir.

Mr. KENNEDY. On whose instructions did he receive this?

Mr. VANDEWARK. Mr. Swanson placed him on there as a broker.

Mr. KENNEDY. Did he ever do any work?

Mr. VANDEWARK. On the health and welfare?

Mr. KENNEDY. Yes.

Mr. VANDEWARK. None to my knowledge.

Mr. KENNEDY. Are you a trustee of the health and welfare?

Mr. VANDEWARK. Yes, sir.

Mr. KENNEDY. Do you know how much money he has received as of this date?

Mr. VANDEWARK. No, I don't know how much money he has received as of this date, but I did furnish the committee a copy of the letter from the New York Life Insurance Co. outlining the amount he had received as a company broker.

The CHAIRMAN. I believe you said he did no work.

Mr. VANDEWARK. I said he had to my knowledge, Senator—has done no work on the health and welfare.

The CHAIRMAN. In other words, he has earned no brokerage fees or compensation, so far as you know?

Mr. VANDEWARK. As far as I know, sir, no.

The CHAIRMAN. He has not earned it. I present to you a photostatic copy of a letter dated August 6, 1957, addressed to you, signed by the assistant vice president of the New York Life Insurance Co. I ask

you if you identify that letter as the one you received regarding these brokerage fees?

(Document handed to the witness.)

Mr. VANDEWARK. Yes, sir; that is the letter.

The CHAIRMAN. That may be made exhibit No. 54.

(The document referred to was marked "Exhibit No. 54" for reference and will be found in the appendix on p. 7890.)

The CHAIRMAN. How much does it show that this Mr. Cameron received, for which he did no work?

Mr. VANDEWARK. Do you wish a total amount or a breakdown by years?

The CHAIRMAN. The total amount up to the date of the letter.

Mr. VANDEWARK. The total amount up to the date of the letter, August 9, 1957, is a total of \$7,088.69.

The CHAIRMAN. \$7,088.69. Is there anything further on that?

Mr. KENNEDY. No.

The CHAIRMAN. We have an affidavit here from Mr. Donald A. Cameron which may be printed in full in the record at this point. I wish to read an excerpt from it. The affidavit is dated January 17, 1958, and it is signed by Mr. Cameron before a notary public.

Following the setting up of the funds I did not contact Sweeney any further, although I would have occasional conversations with Swanson about the progress of the fund. I continued to draw a quarterly commission check, approximately, from the New York Life Insurance Co. I have been asked by the trustees of the fund to discontinue my association as broker, and I have taken the matter to the New York Life Insurance Co. for consultation before taking any action.

(Mr. Cameron's affidavit follows:)

JANUARY 17, 1958.

STATE OF CALIFORNIA

County of San Francisco, ss:

I, Donald A. Cameron, who reside at 2100 Pacific Avenue, San Francisco, Calif., make the following statement to Pierre E. G. Salinger who has identified himself to me as an investigator for the Senate Select Committee on Improper Activities in the Labor or Management Field.

I make this statement under no threat and with no promise of immunity and I understand that it may be used in an open hearing of the committee.

I am now and have been for the past 58 years in the real-estate and insurance business in San Francisco, Calif., with offices at 2566 Ocean Avenue, San Francisco, Calif.

In the year 1948 I was appointed to the San Francisco Public Utilities Commission by the then mayor of San Francisco, Elmer E. Robinson. At that time I met for the first time Mr. Victor S. Swanson who was also a member of the public utilities commission and who I understood to be the business manager of Local 3 of the International Union of Operating Engineers.

Sometime during 1952 I discussed with Mr. Swanson the subject of a proposed health and welfare fund, retirement plan, and other insurance plans which local 3 was then considering setting up. I asked Mr. Swanson if I could submit a bid to become the broker for this account. I, at that time, had not previously done any work in this particular end of the insurance business and I was interested in starting out in the field since I saw it was potentially a very lucrative business.

I discussed the proposed insurance with representatives of a number of carriers. During the course of this preparation, I became acquainted with Mr. Charles W. Sweeney, an insurance broker with offices then at 41 Sutter Street, who I know to have substantial experience in this particular field of insurance. I asked Mr. Sweeney if he would be interested in going into this transaction with me and handling the working end of the business. On October 1, 1952, by letter from Victor S. Swanson, I was notified that the trustees of the Operating Engineers Local Union No. 3 had appointed me as the exclusive broker for the retirement, welfare and group insurance funds which the union was to set up. This authorization letter was prepared in the offices of an attorney, Ernest Tor-

regano, and signed by Swanson. The funds then got underway with Sweeney moving his office to the Operating Engineers Building and performing the day-to-day work of the fund operations. A contract was drawn up between myself and the New York Life Insurance Co. in which I was to draw two-thirds of the commissions and Sweeney one-third. This was changed, however, before the contract was signed, to a 50-50 arrangement. I have been shown a letter of the New York Life Insurance Co. which indicates that in the period December 1, 1952, to July 1, 1957, I drew a total of \$7,088.69 in commissions from these funds.

Following the setting up of the funds, I did not contact Sweeney any further although I would have occasioned conversations with Swanson about the progress of the funds. I continued to draw a quarterly commission check, approximately, from the New York Life Insurance Co. I have been asked by the trustees of the fund to discontinue my association as broker and I have taken the matter to the New York Life Insurance Co. for consultation before taking any action.

In my contact with Mr. Swanson as a member of the Public Utilities Commission, I had occasion to meet his son, Marshall Swanson, and in 1953 I was asked by Marshall Swanson whether I would be interested in going into a building venture with him. At that time, a company, Donald A. Cameron, Inc., was formed by myself and Marshall Swanson with an initial capitalization of \$10,000 of which I invested \$5,000 and received 5,000 shares of stock at \$1 a share. The corporation papers provided for a total of 50,000 shares but only 10,000 were subscribed. We built a total of 15 houses—4 in Menlo Park, and 11 in Belmont, Calif.

Although I did not officially sever my connection with the Donald A. Cameron, Inc., until July 1954 or 1955, I had not, in fact, participated in any of its business at least 6 months prior to that time. While the Donald A. Cameron, Inc., built the hall of the International Union of Operating Engineers in Marysville during the time that I was a partner of record in the company, I did not participate in any of the profits from the construction of that building although I was present at the building's dedication. The final payment for my stock in Donald A. Cameron, Inc., came from the Marshall Development Co. which was the successor company set up by Marshall Swanson as an individual.

During the year 1952, while I was a member of the public utilities commission with Swanson, a piece of water-department property comprising 14.6 acres of marshland in south San Francisco was declared surplus by the water department and by act of Commission Resolution No. 12,453, it was put up for sale. By city procedures, the sale is then handled by the real-estate department. Sometime in 1955 I heard that the land was being sold to a San Francisco attorney, Vladimir Vucinisch, as agent for the Lowrie Paving Co. I voiced objection to the sale at the time because I felt that the price, \$65,000, was too low. I later changed my mind and decided not to make an official challenge to the board of supervisors because I felt that such a challenge would be fruitless.

I never at any time discussed the sale of this particular piece of land with fellow Commissioner Victor Swanson and he, at no time, had apprised me that he was to have an interest in the property as a result of the sale to Vucinisch. I do not, of my own knowledge, even know to this day whether or not Swanson owns that particular piece of land. I am keenly aware that under section 222 of the San Francisco city charter dealing with prohibitive practices of officers and employees, it would be illegal for a public utilities commissioner to have any financial dealings with the city, such as acquiring a piece of property from another city department.

I believe all of the above statements to be the truth to the best of my knowledge.

DONALD A. CAMERON.

Sworn and subscribed to before me this 17th day of January 1958.

[SEAL]

JULIETTE BORIEOU.

Mr. KENNEDY. Mr. Vandewark, you are familiar with the Stockton land deal, the purchase of the land?

Mr. VANDEWARK. Yes, sir.

Mr. KENNEDY. Did you receive any moneys, directly or indirectly, out of that transaction?

Mr. VANDEWARK. No, sir.

Mr. KENNEDY. Did you know on parcel No. 3 that you were repurchasing a piece of property for \$35,000 that just 6 months prior to that you had sold for \$15,000?

Mr. VANDEWARK. No, sir; I did not.

Mr. KENNEDY. You did not realize it was the same piece of property?

Mr. VANDEWARK. I did not.

Mr. KENNEDY. Did you realize that Mr. Doran was receiving \$4,000 on the original transaction, namely, the purchase of the property by the union?

Mr. VANDEWARK. I was not aware of any of the hidden profits or secret deals until the entire thing was audited by our international, and a report made.

Mr. KENNEDY. But prior to that you knew nothing about it?

Mr. VANDEWARK. I did not.

Mr. KENNEDY. You did not receive any moneys yourself?

Mr. VANDEWARK. No, sir.

Mr. KENNEDY. And you were not aware that Mr. Doran was turning any money over to Mr. Swanson?

Mr. VANDEWARK. I was not.

Mr. KENNEDY. This was all new to you, and you did not become aware of it until the international began their audit, is that right?

Mr. VANDEWARK. That is correct.

Senator CURTIS. How many papers did you sign in connection with that, with all of these real-estate transactions?

Mr. VANDEWARK. I believe I signed one check for the original purchase of the property, and I think I signed one of the deeds to one of the parcels when it was sold.

Senator CURTIS. How about the last check?

Mr. VANDEWARK. That is right; I signed the last check also.

Senator CURTIS. What do you mean "didn't know anything about it"? You are the man that writes the check, who buys the original land, and is called on to sign a deed when you sell part of it, and then later on you write another check to buy it back, one part of it.

What do you mean you didn't know anything about it?

Mr. VANDEWARK. Senator, I wasn't aware of the fact that we were repurchasing a piece, a parcel, of the original purchase.

Senator CURTIS. You are the treasurer of the union, are you not?

Mr. VANDEWARK. That is correct.

Senator CURTIS. How long have you been treasurer?

Mr. VANDEWARK. Since 1941.

Senator CURTIS. How big were these checks you were signing?

Mr. VANDEWARK. One was in the amount of around \$33,000, and the other in the amount of around \$35,000.

Senator CURTIS. You did not know what the \$33,000 check was for?

Mr. VANDEWARK. I knew it was a parcel of property that we were purchasing.

Senator CURTIS. You did not know where it was located?

Mr. VANDEWARK. I knew it was located in the city of Stockton. I had not seen the property.

Senator CURTIS. But you honestly did not know it had any connection with the other land?

Mr. VANDEWARK. No, sir; I did not.

Senator CURTIS. You could have found out; could you not?

Mr. VANDEWARK. I assume that I could have.

Senator CURTIS. Here you, as treasurer, handling other people's money, sign a check for \$33,000 that you do not know anything about. It is difficult to understand. You look a lot smarter than that. I believe you are.

That is all, Mr. Chairman.

The CHAIRMAN. There is one other thing I may have overlooked, though it may be in the record. When you turned over this \$2,400 to Mr. Swanson in the car deal, of your own money, as you stated, did you get a receipt from him?

Mr. VANDEWARK. No, sir.

The CHAIRMAN. There is no written evidence in any way to support your statement as to how the transaction was handled?

Mr. VANDEWARK. There is not.

The CHAIRMAN. Is there anything else?

Mr. KENNEDY. That is all.

The CHAIRMAN. Thank you. Stand aside.

Call the next witness.

Mr. KENNEDY. Mr. Garrett.

The CHAIRMAN. Come forward, Mr. Garrett, please.

Mr. KENNEDY. Mr. Chairman, we will not be able to finish these transactions this afternoon. We will have to continue with San Francisco tomorrow morning.

The CHAIRMAN. We will grind a while longer.

Do you solemnly swear that the evidence you shall give before this Senate Select Committee will the truth, the whole truth, and nothing but the truth, so help you God?

Mr. GARRETT. I do.

TESTIMONY OF ELWOOD L. GARRETT

The CHAIRMAN. State your name, your place of residence, and your business or occupation.

Mr. GARRETT. My name is Elwood L. Garrett. My address is San Francisco. I am bookkeeper for Operating Engineers Local No. 3.

The CHAIRMAN. Do you waive counsel?

Mr. GARRETT. I do, sir.

The CHAIRMAN. How long have you been bookkeeper for local No. 3?

Mr. GARRETT. Since March 3, 1947.

The CHAIRMAN. All right, Mr. Kennedy.

Mr. KENNEDY. Mr. Garrett, what were your responsibilities as a bookkeeper?

Mr. GARRETT. Well, to record the transactions to the best of my knowledge.

Mr. KENNEDY. And you recorded what you were told; is that right?

Mr. GARRETT. Right.

Mr. KENNEDY. Did you take part at all or did you have any position in connection with the election that was held?

Mr. GARRETT. To what election do you refer?

Mr. KENNEDY. The election in 1956, principally.

Mr. GARRETT. Yes, sir.

Mr. KENNEDY. What was your position in connection with that?

Mr. GARRETT. Tallying the votes.

Mr. KENNEDY. Tallying the votes?

Mr. GARRETT. Yes, sir.

Mr. KENNEDY. Did you have a committee that was supposed to tally the votes?

Mr. GARRETT. Yes, sir.

Mr. KENNEDY. How many were on the committee?

Mr. GARRETT. I believe there were two others.

Mr. KENNEDY. What were the votes cast for? What election was it?

Mr. GARRETT. It was the international election.

Mr. KENNEDY. What officers were running?

Mr. GARRETT. I believe it was the whole international.

Mr. KENNEDY. A large number?

Mr. GARRETT. Yes.

Mr. KENNEDY. You were tallying the votes out of local No. 3; is that right?

Mr. GARRETT. Right.

Mr. KENNEDY. And that was for that international election?

Mr. GARRETT. Right.

Mr. KENNEDY. The votes were cast, and then what did you do with the ballots after they were cast?

Mr. GARRETT. Well, we tallied about 500 of them.

Mr. KENNEDY. Where did you tally them? Where did you count them?

Mr. GARRETT. Actually it was in a cabin that the local owns.

Mr. KENNEDY. You went to a cabin that the local owns?

Mr. GARRETT. In Calaveras County.

Mr. KENNEDY. The local owns the boat, the airplane, and a cabin, too?

Mr. GARRETT. Yes, sir.

Mr. KENNEDY. What is the cabin used for?

Mr. GARRETT. That I couldn't say. We used it that one time.

Mr. KENNEDY. That is the only time——

Mr. GARRETT. It is the only time I ever saw it.

Mr. KENNEDY. Do you know how much the cabin cost?

Mr. GARRETT. Yes, sir.

Mr. KENNEDY. How much did it cost?

Mr. GARRETT. Around \$8,500.

Mr. KENNEDY. Do you know if it was ever used for union purposes, other than this once when you were down tallying the votes?

Mr. GARRETT. That is the only time I know of.

The CHAIRMAN. How far is this cabin away from your headquarters, from the office?

Mr. GARRETT. My guess would be about 140 or 150 miles.

The CHAIRMAN. You took the ballots 140 to 150 miles to count them?

Mr. GARRETT. Yes, sir.

The CHAIRMAN. Go ahead.

Mr. KENNEDY. So you and 2 other talliers, the 3 of you, went to the cabin?

Mr. GARRETT. No; there was four of us.

Mr. KENNEDY. Who was the fourth?

Mr. GARRETT. Mr. Swanson.

Mr. KENNEDY. Was he running for office at the time?

Mr. GARRETT. Yes, sir.

Mr. KENNEDY. Did you sit down and start to count the ballots?

Mr. GARRETT. We counted them.

Mr. KENNEDY. How many ballots were cast?

Mr. GARRETT. I would say somewhere between two and three thousand.

Mr. KENNEDY. How many votes did you count?

Mr. GARRETT. Either five or six hundred.

Mr. KENNEDY. You only counted five or six hundred?

Mr. GARRETT. That is right.

Mr. KENNEDY. Did you get tired of counting them after that?

Mr. GARRETT. Well, that is all they wanted to count.

Mr. KENNEDY. What?

Mr. GARRETT. That was all they wanted to count.

Mr. KENNEDY. Who is "they"?

Mr. GARRETT. Well, Mr. Swanson.

Mr. KENNEDY. So you only counted five or six hundred of the ballots, is that right?

Mr. GARRETT. Right.

Mr. KENNEDY. Did they decide they did not want to count any more? What did you decide to do then?

Mr. GARRETT. Well, it was decided that that was the trend of the election, and that was going to be it.

Mr. KENNEDY. What was going to be it?

Mr. GARRETT. Well, the trend that was determined from those 500 ballots that were tallied.

Mr. KENNEDY. What did you do with the ballots then?

Mr. GARRETT. They were kept at the office.

Mr. KENNEDY. Did you take them back then, to the union hall?

Mr. GARRETT. Yes, they were taken back to the office.

Mr. KENNEDY. Who took them back to the union hall?

Mr. GARRETT. They were taken back to the office in the car with the four of us.

Mr. KENNEDY. So there were approximately two or three thousand votes cast in the election and you counted five or six hundred and then packed up and came back to the union hall?

Mr. GARRETT. Right.

Mr. KENNEDY. Do you know how many votes were certified as having been cast in that election?

Senator MUNDT. Before we leave the cabin, I am not quite clear in my own mind why you went to the cabin to count the ballots.

Mr. GARRETT. That I do not know, sir.

Senator MUNDT. You know why you were there, do you not? You were one of the four. Why did you go?

Mr. GARRETT. Well, there was nothing that couldn't have been done right at the office in San Francisco.

Senator MUNDT. I am not asking you that question. I am asking you why you went 140 miles with the ballots to try to count them.

Mr. GARRETT. That was Mr. Swanson's idea.

Senator MUNDT. He wanted to set up the party, the trip, or whatever it was?

Mr. GARRETT. I presume that was the case.

Senator MUNDT. Did you have dinner up there, or supper?

Mr. GARRETT. Yes. We cooked our own. We stayed there overnight.

Senator MUNDT. You stayed there all night?

Mr. GARRETT. Yes.

Senator MUNDT. You kind of made a party out of it, the four of you?

Mr. GARRETT. Yes, sir.

Senator MUNDT. More fun playing cards or bending elbows or eating than it was counting ballots, so you put the ballots aside and enjoyed yourself?

Mr. GARRETT. No, we didn't—yes, I guess we did play a little cards.

Senator MUNDT. It is a logical thing to do in a cabin in the mountains.

Mr. GARRETT. Yes, sir.

Senator MUNDT. Do you remember how the ballots broke up in those 600 that you counted? How many opponents did Mr. Swanson have; just one?

Mr. GARRETT. How many what?

Senator MUNDT. How many opponents did he have in the election?

Mr. GARRETT. For himself? He didn't have any opponents on that international election.

Senator MUNDT. He did not have any?

Mr. GARRETT. No, sir.

Senator MUNDT. Did anybody have any?

Mr. GARRETT. Yes, sir; there were others. There were probably 25 or 30 names on the ballot, but I believe there was only probably 23 to be selected.

Senator MUNDT. You were to select 23 people out of 25 candidates for what job, trustees?

Mr. GARRETT. Well, they were vice presidents, trustees. I don't recall all of them.

Senator MUNDT. Out of a pool of about 25 candidates you were to choose 23; is that right?

Mr. GARRETT. Yes, sir; I presume that was the case.

Senator MUNDT. How did you decide which two not to declare as winners?

Mr. GARRETT. Well, I believe there was more than two. I think there was about 30 names on the ballot and 25 probably running.

Senator MUNDT. About seven of them lost out. How did you decide which seven to leave off?

Mr. GARRETT. Well, Mr. Swanson was the one that decided that.

Senator MUNDT. Mr. Swanson said, "We will declare these 23 elected and the other 7 not"?

Mr. GARRETT. Yes.

Senator MUNDT. Thank you.

Senator CURTIS. There was no one to observe the counting in the cabin; was there?

Senator CURTIS. That made a good place to count them.

That is all.

Mr. KENNEDY. Mr. Swanson had certain individuals who were his favorites, that he was endorsing in the election; did he not?

Mr. GARRETT. I believe they were; yes.

Mr. KENNEDY. And he published a statement about those individuals in whom he was interested?

Mr. GARRETT. That is right.

Mr. KENNEDY. He was interested, for instance, in Dale Burchett, J. C. Turner, R. W. Tucker; those were three of the people he was interested in, is that correct?

Mr. GARRETT. I couldn't say for sure. They were only names to me.

Mr. KENNEDY. Out of the possibly two or three thousand votes that were cast, his friend Mr. Burchett got 16,472 votes. Would you tell us how that was possible?

Mr. GARRETT. It wasn't possible. We only counted five or six hundred.

Mr. KENNEDY. You only counted five or six hundred, only two or three thousand were cast, and Mr. Burchett got 16,472 votes. His opponent, Mr. Converse, who I understand was not well liked, got 354 votes.

(At this point, Senator Goldwater entered the hearing room.)

The CHAIRMAN. The question is: Is that a true count?

Mr. GARRETT. No, sir.

Mr. KENNEDY. Mr. Turner, running for 10th vice president, got 16,214 votes and his opponent, Mr. Bronson, who was running for 10th vice president, got 387 votes.

Mr. GARRETT. That could be.

The CHAIRMAN. Is this what you would call a rough estimate?

Mr. GARRETT. Yes, sir.

The CHAIRMAN. It was very rough. It was rough on the folks that Mr. Swanson did not like, was it not?

Mr. GARRETT. Right.

The CHAIRMAN. Sir?

Mr. GARRETT. Right.

Mr. KENNEDY. Evidently he liked Mr. O'Connell and Mr. Tucker, who were running for the general board of trustees, because Mr. O'Connell got 14,060 votes and Mr. Tucker got 16,069 votes, while his opponent, Mr. Kelley got 483 votes, Mr. Connors got 474 votes, Mr. Carman got 364 votes, and Mr. Wharton got 619 votes.

These were the opponents of these other gentlemen. Yet, there were only two or three thousand votes that were cast, is that right?

Mr. GARRETT. Yes.

Mr. KENNEDY. It is difficult to understand.

The CHAIRMAN. Did you ever understand it?

Mr. GARRETT. No, sir.

The CHAIRMAN. You still do not understand it?

Mr. GARRETT. That is right.

The CHAIRMAN. Were these people arrived at by just somebody putting down the figures, telling you how many to put down?

Mr. GARRETT. Yes, sir.

The CHAIRMAN. Who told you how to put them down?

Mr. GARRETT. Swanson.

The CHAIRMAN. Swanson told you how to put them down, how to report the returns?

Mr. GARRETT. Yes, sir.

The CHAIRMAN. They were never counted?

Mr. GARRETT. No, sir.

Mr. KENNEDY. Mr. Swanson also was not a friend of Mr. Maloney, was he?

Mr. GARRETT. That I couldn't say. I don't know anything about the international politics.

Mr. KENNEDY. Mr. Maloney also got edged in the election. He got 7,295 votes, but his opponent got 9,862 votes. There was even a correction on those tallies, was there not, at a later time? Were you aware of that?

Mr. GARRETT. I am not aware of that.

The CHAIRMAN. I hand you here a letter addressed to Tellers. You were, I guess, a teller at the election, were you, a counter?

Mr. GARRETT. I believe that is what I was supposed to have been.

The CHAIRMAN. That is what you were supposed to have been?

Mr. GARRETT. Yes, sir.

The CHAIRMAN. Here is a letter apparently addressed to you from Mr. C. F. Mathews, recording secretary, dated August 7, 1956. Will you examine that and state if you identify that as a copy of a letter that you received as one of the tellers?

(A document was handed to the witness.)

Mr. GARRETT. I don't recall ever seeing this before.

The CHAIRMAN. Do you think that was just written out and put in the files without being distributed to you or handed to you?

Mr. GARRETT. I don't recall ever seeing this. This is addressed to tellers of the international.

The CHAIRMAN. Tellers of the international? I am sorry, I just saw tellers there. I thought that is what you were. You never saw that letter before?

Mr. GARRETT. No, sir.

The CHAIRMAN. You cannot identify it?

Mr. GARRETT. No, sir, I do not recall ever seeing this before.

The CHAIRMAN. All right, proceed, Mr. Kennedy.

Mr. KENNEDY. Would you read that in, Mr. Chairman?

The CHAIRMAN. Let me ask how it was obtained. Who obtained the letter?

TESTIMONY OF JOSEPH I. GORDON—Resumed

The CHAIRMAN. Mr. Gordon, continuing your testimony, is this a copy of a letter that you obtained in the course of your investigation?

Mr. GORDON. Yes, sir.

The CHAIRMAN. Where did you get it?

Mr. GORDON. I obtained this letter in a complete file from C. F. Mathews, the recording secretary.

The CHAIRMAN. It was in his records?

Mr. GORDON. Yes, sir.

The CHAIRMAN. As secretary?

Mr. GORDON. Yes, sir.

The CHAIRMAN. It may be made exhibit 55.

(The document referred to was marked "Exhibit No. 55" for reference and is as follows:)

TELLERS, ELECTION OF GENERAL OFFICERS,
INTERNATIONAL UNION OF OPERATING ENGINEERS,
Washington, D. C.

DEAR SIRS AND BROTHERS: Enclosed please find official tally sheets No. 1 and No. 2. At the meeting of July 7, 1956, Operating Engineers Local Union, No. 3, the following motion was moved, seconded, and carried: That the vote of all

members who fail or neglect to cast their ballot be added to the vote of each candidate receiving the highest number of votes cast, except in the case of the trustees, in which case the votes shall be added to the votes of the three candidates receiving the most votes, if this may lawfully be done and, further, that the secretary be instructed to report both totals to the international. Tally sheet No. 1 shows the vote actually cast. Tally sheet No. 2 shows the vote tallied in accordance with this motion.

Fraternally yours,

C. F. MATHEWS, *Recording Secretary.*

The CHAIRMAN. It is dated August 7, 1956.

Mr. Gordon, did you also find 2 tally sheets No. 1 and No. 2 in the file?

Mr. GORDON. In the same file, sir.

The CHAIRMAN. Do you identify these documents as tally sheets No. 1 and No. 2?

Mr. GORDON. Yes, I do.

The CHAIRMAN. They may be made exhibit 56. They will be exhibits 56 and 56-A; No. 1 is 56 and No. 2 is 56-A.

(The documents referred to were marked "Exhibits Nos. 56 and 56-A" for reference and will be found in the appendix on pp. 7891-7893.)

The CHAIRMAN. Have you tabulated them to show how many votes were added other than those cast?

Mr. GORDON. No; I did not.

The CHAIRMAN. They will show for themselves.

Mr. KENNEDY. To the ones I mentioned before, to the winners, 1,345 votes were added to the winners.

The CHAIRMAN. We did not only estimate in the beginning, from what I understand, what we thought we ought to give them roughly, but when we got through with that, we took all of the votes that did not vote, we counted them up and found there were one thousand three hundred and some and added those votes to the winning votes.

Mr. KENNEDY. That is correct. Turner, who got 16,314 votes on tally sheet No. 1 out of 3,000 votes cast, on tally sheet No. 2 got 17,559 votes.

Gramling got 16,706 votes on tally sheet No. 1, and got 18,051 votes on tally sheet 2.

Senator CURTIS. All of that out of 2,000 ballots?

Mr. KENNEDY. Yes; and out of 500 or 600 counted.

Senator MUNDT. I noticed that the letter had the proviso in it about, "if this can legally be done." I wonder if the staff checked with the clerks to find out whether the international union looks upon that as a legal procedure, for the tally clerks to act in this manner.

The CHAIRMAN. We have the official returns.

Mr. KENNEDY. They used tally sheet No. 1.

Senator MUNDT. The estimate they considered legal?

The CHAIRMAN. They probably did not need them.

Senator MUNDT. I guess that is correct.

The CHAIRMAN. Proceed.

Mr. KENNEDY. This, I understand, was a procedure followed in more locals than the one in San Francisco, in the Operating Engineers.

TESTIMONY OF ELWOOD L. GARRETT—Resumed

The CHAIRMAN. Is there anything further?

(At this point, Senator Mundt left the hearing room.)

Mr. KENNEDY. Would you tell me about this one check?

The CHAIRMAN. I present to you a check on your union local No. 3, dated November 7, 1950, pay to order of cash, in the amount of \$2,500. I ask you to examine this photostatic copy of the check and state if you identify it, please, sir.

(The document handed to the witness.)

Mr. GARRETT. It is one of our checks.

The CHAIRMAN. He identifies it as one of their checks. That may be made exhibit 57.

(The document referred to was marked "Exhibit No. 57," for reference and will be found in the appendix on p. 7894.)

The CHAIRMAN. Give us an explanation of it. What is it for?

Mr. GARRETT. The only explanation I see of it here is that it is for general organizing.

The CHAIRMAN. Who got the money? Who endorsed it?

Mr. GARRETT. It looks like William Kyne.

The CHAIRMAN. Who is he?

Mr. GARRETT. I am not sure.

I don't know for sure.

Mr. KENNEDY. You know who it is, don't you?

Mr. GARRETT. I have an idea who it is.

Mr. KENNEDY. What is your idea?

Mr. GARRETT. I think he is an operator of a racetrack on the coast.

Mr. KENNEDY. An operator of a racetrack out on the coast.

Mr. GARRETT. Yes, sir.

Mr. KENNEDY. Is he a union member?

Mr. GARRETT. Not that I know of.

Senator ERVIN. If the horses could race as fast as the Swanson's candidates, it must certainly be some horse race.

Mr. KENNEDY. It is William Kyne, is it not, and wasn't he former manager of the Bay Meadows racetrack?

Mr. GARRETT. I believe he was.

Mr. KENNEDY. And this check is for general organizing?

Mr. GARRETT. Yes, sir.

Mr. KENNEDY. And it appears to have been cashed by the proprietor of the Bay Meadows racetrack?

Mr. GARRETT. Yes, sir.

The CHAIRMAN. Did you get a voucher for that before you entered that into your books?

Mr. GARRETT. The voucher is made at the same time the check is. The warrant is, rather.

The CHAIRMAN. Did you get a warrant for that?

Mr. GARRETT. Yes, sir.

The CHAIRMAN. The warrant shows it to be for general organizing?

Mr. GARRETT. The warrant shows what was on the check.

The CHAIRMAN. Can you give us a little enlightenment as to how you do general organizing of operating engineers at a racetrack?

Mr. GARRETT. That I would not know, sir.

The CHAIRMAN. You wouldn't know?

Mr. GARRETT. No, sir.

The CHAIRMAN. How long have you been in the union?

Mr. GARRETT. For about 11 years.

The CHAIRMAN. How long have you been an officer?

Mr. GARRETT. I am not an officer. I am a bookkeeper.

The CHAIRMAN. Have you had several organizations at racetracks like that?

Mr. GARRETT. I don't remember offhand if there was any others or not.

The CHAIRMAN. I guess in your experience you have handled a lot of queer transactions, have you, in your books?

Mr. GARRETT. Well, I have written over 100,000 checks since I have been in the organization.

The CHAIRMAN. How many of them seemed improper?

Mr. GARRETT. That I couldn't say, sir.

The CHAIRMAN. Many of them?

Mr. GARRETT. No; at the time none of them seemed so.

The CHAIRMAN. What?

Mr. GARRETT. When they were written, none of them seemed improper.

The CHAIRMAN. As they are written now, they seem improper?

Mr. GARRETT. From what I have heard in the last year; yes.

The CHAIRMAN. A good many of them were improper?

Mr. GARRETT. Yes, sir.

The CHAIRMAN. All right. Senator Goldwater?

Senator GOLDWATER. I wanted to ask a question regarding auditing methods.

Are your books audited by the international?

Mr. GARRETT. They were audited by the international; yes, sir.

Senator GOLDWATER. How often are they?

Mr. GARRETT. That is periodic. The last time was the first part of last year.

Senator GOLDWATER. What was the last time before that?

Mr. GARRETT. I think it was about 3 or 4 years before that—

Senator GOLDWATER. Have you been auditor for 11 years?

Mr. GARRETT. I am the bookkeeper, sir.

Senator GOLDWATER. I mean bookkeeper for the 11 years.

Mr. GARRETT. Yes, sir.

Senator GOLDWATER. In the 11 years that you have been bookkeeper, how many times has the international audited your books?

Mr. GARRETT. Twice.

Senator GOLDWATER. Why haven't they found any of these discrepancies that have been brought up here today?

Mr. GARRETT. I believe that is when they were uncovered, through the international auditor.

Senator GOLDWATER. Then what was done? When they uncovered these things, what was done by the international?

Mr. GARRETT. That I do not know.

Senator GOLDWATER. Was there any action taken?

Mr. GARRETT. Well, it started investigations, and then there was a hearing held by the international in Washington on Mr. Swanson's activities. But I don't know too much about that. That is out of my jurisdiction so to speak.

Mr. KENNEDY. Up until this time you had a procedure in the Operating Engineers for having an outside auditor come in and look at the books?

Mr. GARRETT. Yes, sir, every quarter.

Senator GOLDWATER. During that period of time, what is your explanation for the fact that none of these things, the way the money was being misused, were uncovered? Is it the type of audit that is made?

Mr. GARRETT. Well, in the first place, it was not the CPA's responsibility to challenge such items as have been uncovered in the past year or two. It was not their obligation to challenge those. Nor was it mine.

Senator GOLDWATER. The fact that you say that an auditor came in and looked at the books is not a sufficient safety valve for maintaining or insuring that the money of that union is not being misused, is that right?

Mr. GARRETT. No, an audit of that type would not guarantee that. It was not that type.

Senator GOLDWATER. So nobody ever came in to look through the books to insure that the money was not being misused or mishandled?

Mr. GARRETT. Yes. The international auditor came in.

Senator GOLDWATER. But according to your explanation, as I understand it, they could never uncover these things, because of the type of audit they made.

Mr. GARRETT. Well, no, we are getting confused here. I am speaking of the international auditor now, Mr. Thomas Moore.

Senator GOLDWATER. But that has been lately, has it not?

Mr. GARRETT. Yes. That was a year ago, the first part of last year.

Senator GOLDWATER. Up until then, when the auditor came in, the type of audit that they conducted would not uncover these kinds of mishandlings and misusing of union funds?

Mr. GARRETT. No, sir. They made an audit for the mechanical accuracy.

Senator GOLDWATER. They made sure everything added up correctly in the columns, is that right?

Mr. GARRETT. That is right, so to speak.

Senator GOLDWATER. Will you tell us why they did not make a complete audit?

Mr. GARRETT. That I cannot answer you. That was a policy of the union, I guess. They made the same type of audit the first audit they made after I was there, and they have just made that mechanical audit.

Senator GOLDWATER. Would that be the order of Mr. Swanson?

Mr. GARRETT. Yes, sir.

Senator GOLDWATER. That is, as to the amount of coverage that they were to give in their audit?

Mr. GARRETT. Right.

Senator GOLDWATER. Is there anything in the way you keep books that has been ordered by Mr. Swanson?

Mr. GARRETT. Well, just what do you mean by that?

Senator GOLDWATER. Have you been directed from time to time to cover up in your ledgers for any of these expenses, to make them appear as if they were legitimate union expenses?

Mr. GARRETT. There have been cases which I have learned of; yes.

Senator GOLDWATER. That occurred at Mr. Swanson's orders, is that correct?

Mr. GARRETT. Right.

Senator GOLDWATER. My question was did Mr. Swanson ever order you to make entries in the books for the purpose of hiding expenditures?

Mr. GARRETT. Well, there is only one that I can recall at the moment, and that was brought out in connection with the purchase of the launch.

Senator GOLDWATER. You knew the launch cost \$20,000?

Mr. GARRETT. Not at the time of the original recording of the record, I did not know that; no, sir.

The CHAIRMAN. You thought it was costing only \$10,000?

Mr. GARRETT. Correct.

The CHAIRMAN. That is what your records showed it to cost?

Mr. GARRETT. Right.

The CHAIRMAN. How did you find out it was costing \$20,000?

Mr. GARRETT. Some time after the launch was purchased, primarily, the first time I saw it. After I saw the launch, I knew it didn't cost \$10,000.

The CHAIRMAN. What else did you do to cover up the actual cost of it?

Mr. GARRETT. That is the only thing that I know of, sir.

The CHAIRMAN. You did issue a \$10,000 check to cash, didn't you?

Mr. GARRETT. I have issued many cash checks at the instructions of Mr. Swanson.

The CHAIRMAN. You found out since that an additional check for cash for \$10,000 went to pay for it?

Mr. GARRETT. Yes, sir.

The CHAIRMAN. You did not know it at the time you made the entry?

Mr. GARRETT. At the time; no, sir.

The CHAIRMAN. You were told to make the entry for \$10,000 as the cost of it at the time it was purchased?

Mr. GARRETT. Right.

The CHAIRMAN. So you know now you were told to make a false entry?

Mr. GARRETT. Right.

The CHAIRMAN. All right. I would like to pursue this organization at the racetrack just a little. It intrigues me. I present to you here 2 checks and 2 warrants to substantiate the checks. The first one is dated February 23, 1950. It is made payable to Tanforan, Ltd., in the amount of \$200, drawn on the union, and it is shown that it is given for transportation. Who is this Tanforan, Ltd.?

Mr. GARRETT. That is a racetrack.

The CHAIRMAN. That is a racetrack. Well, let us look at this one first. I will hand you this one for 1950. See if you can identify the warrant and the check.

(The document was handed to the witness.)

Mr. GARRETT. Yes, that is one of our checks.

The CHAIRMAN. It is one of your checks. It shows for transportation, does it not?

Mr. GARRETT. Yes, sir.

The CHAIRMAN. Do you know what a box seat costs at the race-track?

Mr. GARRETT. No, I do not, sir.

The CHAIRMAN. Do you know that it costs the exact amount of that check?

Mr. GARRETT. That doesn't surprise me.

The CHAIRMAN. It doesn't surprise you at all to find that is true. All right. That may be made exhibit No. 58.

(The document referred to was marked "Exhibit No. 58" for reference and will be found in the appendix on pp. 7895-7896.)

The CHAIRMAN. I hand you another one dated August 29, 1951. It seems to be a similar transaction. The check is made to cash, and it says for Tanfo, Ltd., subscription, \$200. Would you identify that check and warrant, please?

(The document was handed to the witness.)

Mr. GARRETT. That looks like another one of the same things.

The CHAIRMAN. That may be made exhibit 59.

(The document referred to was marked "Exhibit No. 59" for reference and will be found in the appendix on pp. 7897-7898.)

(At this point, Senator Goldwater left the hearing room.)

The CHAIRMAN. Let's see how that compares with the \$2,500 check that was made exhibit 57. Do you know when those races are run down there?

Mr. GARRETT. I don't remember the dates of them, no, sir.

The CHAIRMAN. Do you know the racing season?

Mr. GARRETT. No, sir.

The CHAIRMAN. Let's check the \$2,500 given November 7, 1950. In that first year down there, their transportation costs and a check for \$2,500 general organizational cost, seem to have some connections, do they not?

Mr. GARRETT. I could be.

The CHAIRMAN. Is there anything further?

Senator CURTIS. Mr. Chairman?

The CHAIRMAN. Senator Curtis.

Senator CURTIS. How many members belong to this local?

Mr. GARRETT. Something over 22,000.

Senator CURTIS. What are their annual dues? What are their monthly dues?

Mr. GARRETT. The monthly dues run from \$3 to \$6.

Senator CURTIS. \$3 to \$6?

Mr. GARRETT. Yes.

Senator CURTIS. What other income does the union have?

Mr. GARRETT. Rentals from buildings.

Senator CURTIS. How much are the initiation fees?

Mr. GARRETT. The initiation fees vary from \$10 up to \$100.

Senator CURTIS. You don't know what the total income from dues is per year, do you?

Mr. GARRETT. I couldn't say. I would have to refer to my financial statements. I would say it is somewhere around \$2 million.

Senator CURTIS. That is the amount you collect. How much would it cost to carry on the ordinary business of the union and its collective bargaining functions?

Mr. GARRETT. I am in no position to answer that. I couldn't say.

Senator CURTIS. It would not cost \$2 million, would it?

Mr. GARRETT. The union has steadily gained.

Senator CURTIS. In spite of expenditures for many things other than expenses of collective bargaining?

Mr. GARRETT. Right.

Senator CURTIS. Are there any special assessments of any kind besides dues that the members pay?

Mr. GARRETT. Yes. There is a burial expense fund and a good standing fund assessment which is paid annually, \$6 a year.

Senator CURTIS. And they are assessed for that?

Mr. GARRETT. Yes.

Senator CURTIS. How much does that pay the family of a deceased member?

Mr. GARRETT. \$750.

Senator CURTIS. And this \$3 to \$6 dues, that is separate and apart from any pension or welfare fund?

Mr. GARRETT. Yes; that is separate.

Senator CURTIS. You have a pension and welfare fund, do you?

Mr. GARRETT. For the membership?

Senator CURTIS. Yes.

Mr. GARRETT. Yes.

Senator CURTIS. Where does it get its income, that fund?

Mr. GARRETT. From the contractors that pay in to that fund.

Senator CURTIS. How big is that fund?

Mr. GARRETT. That I am not familiar enough with.

Senator CURTIS. How much do the contractors have to pay?

Mr. GARRETT. I am not qualified to answer that, but I think it is 10 cents an hour.

Senator CURTIS. Ten cents an hour?

Mr. GARRETT. I believe that is it, but as I say, that is out of my jurisdiction.

Senator CURTIS. Who runs the pension and welfare fund?

Mr. GARRETT. The C. W. Sweeney Co.

Senator CURTIS. I mean what officer of the union runs it?

Mr. GARRETT. Again I am not qualified to answer that, as it is outside of my jurisdiction, but I know C. W. Sweeney Co. operates the welfare fund.

Senator CURTIS. Does Mr. Swanson have anything to do with that?

Mr. GARRETT. I believe he is a trustee of that.

Senator CURTIS. Who else are trustees?

Mr. GARRETT. I don't know all of them. I believe Vandewark is, and Metz. As I say, welfare is out of my jurisdiction. I have nothing to do with the welfare.

Senator CURTIS. That is all.

The CHAIRMAN. The committee will stand in recess until 10:30 tomorrow.

(Whereupon, at 4:55 p. m., the committee was recessed, to reconvene at 10:30 a. m. Thursday, January 23, 1957.)

INVESTIGATION OF IMPROPER ACTIVITIES IN THE LABOR OR MANAGEMENT FIELD

THURSDAY, JANUARY 23, 1958

UNITED STATES SENATE,
SELECT COMMITTEE ON IMPROPER ACTIVITIES
IN THE LABOR OR MANAGEMENT FIELD,
Washington, D. C.

The select committee convened at 10:30 a. m., pursuant to Senate Resolution 74, agreed to January 30, 1957, in the caucus room, Senate Office Building, Senator John L. McClellan (chairman of the select committee) presiding.

Present: Senator John L. McClellan, Democrat, Arkansas; Senator Irving Ives, Republican, New York; Senator Barry Goldwater, Republican, Arizona; Senator Karl E. Mundt, Republican, South Dakota; Senator Carl T. Curtis, Republican, Nebraska.

Also present: Robert F. Kennedy, chief counsel; Jerome S. Adlerman, chief assistant counsel; Pierre E. G. Salinger, investigator; Joseph I. Gordon, a GAO investigator on loan to the committee; Ruth Young Watt, chief clerk.

(Members of the select committee present at the convening of the session were Senator McClellan, Mundt, Curtis, and Pat McNamara.)

The CHAIRMAN. The committee will come to order.

Call the next witness, Mr. Counsel.

Mr. KENNEDY. Mr. Clarence Mathews, Mr. Chairman.

The CHAIRMAN. Come forward, Mr. Mathews. You do solemnly swear the evidence you shall give before this Senate select committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. MATHEWS. I do.

TESTIMONY OF CLARENCE F. MATHEWS

The CHAIRMAN. State your name, your place of residence, and your business or occupation.

Mr. MATHEWS. My name is Clarence F. Mathews. I live at 2001 45th Avenue, in San Francisco. I am recording corresponding secretary for the Operating Engineers, Local Union No. 3.

The CHAIRMAN. Recording secretary?

Mr. MATHEWS. Recording corresponding secretary.

The CHAIRMAN. Mr. Mathews, do you waive counsel?

Mr. MATHEWS. Yes; I do.

The CHAIRMAN. Thank you very much. Proceed, Mr. Kennedy.

Mr. KENNEDY. How long have you held that position, Mr. Mathews?

Mr. MATHEWS. Since July 1, 1941.

The CHAIRMAN. 1921 or 1941?

Mr. MATHEWS. 1941.

Mr. KENNEDY. 1941. What are your responsibilities?

Mr. MATHEWS. My responsibilities in this particular position is to authorize the payment of moneys spent for the union——

Mr. KENNEDY. To do what about the money?

Mr. MATHEWS. To authorize the payment of funds.

The CHAIRMAN. Authorize the payment of funds?

Mr. MATHEWS. Yes, sir. And to keep the minutes.

The CHAIRMAN. All right.

Mr. KENNEDY. You were appointed to that position by the international?

Mr. MATHEWS. That is the international, yes. That is the bylaws—would you please not flash the lights? They bother me. I am bothered enough anyway.

The CHAIRMAN. I believe you will be less bothered if you dispense with your chewing gum. It will be better for us. We could hear you better. We will suspend the flashes, gentlemen. All right.

As I understand, you are appointed by the international with the authority to direct the spending of the local's money; is that correct?

Mr. MATHEWS. No, I don't know if that is exactly correct or not. I was asked to take this job by Mr. Swanson, Mr. Lawrence, who I replaced, and Mr. Carter, who was the vice president at that time.

The CHAIRMAN. Vice president of what? The international?

Mr. MATHEWS. The international union; yes, sir.

The CHAIRMAN. What I am trying to determine is whether the membership or the executive board of that local elected you, or if your appointment actually came from the international authorities.

Mr. MATHEWS. Mr. Chairman, I was elected by the members of the local union as recording corresponding secretary.

The CHAIRMAN. All right. Where does the international come into the picture?

Mr. MATHEWS. Well, I was appointed—I replaced a man by the name of Frank Lawrence. That was to sign the checks for the expenditures of money, yes.

Mr. KENNEDY. You were the guardian over the funds for the international union?

Mr. MATHEWS. Well, I guess so. You could say that.

Mr. KENNEDY. You made sure that the money was not being misused, is that right?

Mr. MATHEWS. That is right.

Mr. KENNEDY. Getting into those responsibilities that you had, were you aware of the Stockton land deal, the property in Stockton, Calif., that was purchased by the union?

Mr. MATHEWS. Yes, sir.

Mr. KENNEDY. Were you aware that the union paid some \$33,500 for the land, when it in fact only cost \$29,500?

Mr. MATHEWS. At that time I was not, sir.

Mr. KENNEDY. You were not?

Mr. MATHEWS. At that time I was not.

Mr. KENNEDY. You signed the check, however, for the purchase of the land?

Mr. MATHEWS. Yes, I did.

Mr. KENNEDY. But you didn't examine into the records?

Mr. MATHEWS. No, I did not.

Mr. KENNEDY. You did not?

Mr. MATHEWS. No, sir.

Mr. KENNEDY. That wasn't part of your responsibilities, to be sure that the money was not being misused?

Mr. MATHEWS. Well, sir, I have been up there twice on investigating committees from the international, and with your own committee up there, and they can tell you very frankly I know all about it now. I did not know about it at that time.

Mr. KENNEDY. Had you been up to see the land yourself?

Mr. MATHEWS. I was up there and looked at it, yes, sir. I was up there probably for maybe a half an hour.

Mr. KENNEDY. Did you know that the union was selling plot No. 1 for \$6,500, when, in fact, it was worth approximately \$20,000?

Mr. MATHEWS. No, I did not. I knew what the union got for it.

Mr. KENNEDY. You didn't inquire into that?

Mr. MATHEWS. No, I did not.

Mr. KENNEDY. And plot No. 2, which was sold by the union for approximately \$10,000, was, in fact, worth \$24,000?

Mr. MATHEWS. Sir, I will say to you that I knew that the land was being sold, that the union was not going to lose any money on it. I think at that time I was told we would gain some thousand dollars on the resale.

Mr. KENNEDY. Who told you this?

Mr. MATHEWS. Mr. Swanson.

Mr. KENNEDY. You did not know of any of this finagling with the land?

Mr. MATHEWS. I did not, sir, because—

Mr. KENNEDY. What about plot No. 3? Did you know—

Senator MUNDT. Just a moment. He was going to add something. You said you did not because, and the counsel cut you off.

Why didn't you know?

Mr. MATHEWS. Because I did not go up there. There is a lot of land there. That thing is about—well, I don't know how far it is, a couple or three blocks long, all of that land there.

Senator MUNDT. It was 7 acres, I understand.

Mr. MATHEWS. Well, I don't know about that. I couldn't answer that.

Senator MUNDT. But you didn't make any check into the reasons the land was being handled in this way?

Mr. MATHEWS. No, sir; no more than I did in the other 14 or 15 pieces of property that we purchased.

Senator MUNDT. Are there 14 or 15 more examples of how the union money was used to benefit union officials?

Mr. MATHEWS. No. The benefit of the union officials, I am one of those, and I claim no part of any part of it.

Senator MUNDT. Well, let's say some of the union officials.

Mr. MATHEWS. All right, some of them, perhaps. I don't know that.

Senator MUNDT. There are 10 or 14 more of them; did you say?

Mr. MATHEWS. Yes, sir. We purchased land in—well, all the places we have offices. We have buildings on most of them.

Senator MUNDT. Is it a standing operating procedure for some of the officials of the union to sort of run a real-estate speculative office on the side to buy and sell land with union funds and pocket the profit?

Mr. MATHEWS. You say "speculative." I don't say that. I say that we purchased property to build buildings on.

Senator MUNDT. There isn't anything inimical about the word speculative. That is a legitimate enterprise in which real-estate people engage. If they buy land, they hope it will go up in price, and they will make money. There is nothing wrong with that. But it seems to me to be a curious use to be made of union pension funds, union dues, by certain union officials. If they use it, and they make a profit, they pocket the money. I would suspect the other side of the coin would hold. If they lose money, it is the union's loss. It is a "heads, I win, tails, you lose" transaction. It is one of the things that this committee is trying to stop, to protect the working men and women of this country who pay your salary and who pay the salaries of the other union officials.

That is all.

Mr. KENNEDY. Going on to the third piece of property, plot No. 3 on the chart, were you aware of the fact that you were selling that piece of property to certain union officials, Doran and Swanson, for \$15,000?

Mr. MATHEWS. Yes. You have a picture taken there that has my signature on it.

Mr. KENNEDY. So you were aware of that fact?

Mr. MATHEWS. I was not aware of it, and I still don't believe it.

Mr. KENNEDY. You still don't believe what?

Mr. MATHEWS. That that name was on top there when I signed it.

Mr. KENNEDY. You did sign this?

Mr. MATHEWS. Yes, sir.

Mr. KENNEDY. And that is the deed over to these individuals?

Mr. MATHEWS. Yes, sir. You have 3 or 4 of them there. I know you have them because I was up there when they were taken. I was with your committee when they were there. As a matter of fact, I drove them up there to get all these pictures.

Mr. KENNEDY. Did you have any discussions about how much the land should cost to whoever was buying it, this plot No. 3?

Mr. MATHEWS. I presume that I was told what it would cost.

Mr. KENNEDY. How did you arrive at the figure at which you would sell the land?

Mr. MATHEWS. I didn't arrive at it.

Mr. KENNEDY. You didn't have any discussions about that?

Mr. MATHEWS. No, sir.

Mr. KENNEDY. You had no discussions at all?

Mr. MATHEWS. No, sir.

Mr. KENNEDY. Who reached the determination as to how much the land would be sold for?

Mr. MATHEWS. Well, Mr. Swanson bought all the land and he sold all the land.

Mr. KENNEDY. What?

Mr. MATHEWS. Mr. Swanson bought all the land and he sold all the land. He conducted all the business of the union.

Mr. KENNEDY. You were there as a responsible figure of the international to insure that the money was not being misused.

Mr. MATHEWS. I do not deny my responsibility. I accept it.

Mr. KENNEDY. Did you meet your responsibilities?

Mr. MATHEWS. I accept the responsibility; yes, sir.

Mr. KENNEDY. Did you meet your responsibility?

Mr. MATHEWS. I did not.

Mr. KENNEDY. You say that you signed this deed in blank?

Mr. MATHEWS. I did not say that, sir.

Mr. KENNEDY. Then Mr. Doran and Mr. Swanson's name——

Mr. MATHEWS. I know about that. I have seen them 4 or 5 times already.

The CHAIRMAN. So that the record may be kept straight, the Chair presents to you exhibit 11 in the testimony already taken, which is a deed, a photostatic copy of a deed, from your union to S. V. Swanson and Ed Doran. I will ask the witness to examine it so that we make sure that the record reflects the deed we are discussing.

(The document was handed to the witness.)

Mr. MATHEWS. Your Honor, I signed this deed. That is my signature.

The CHAIRMAN. Is that the deed you are discussing?

Mr. MATHEWS. Yes, sir.

The CHAIRMAN. All right. Exhibit 11 is the deed you are discussing. Proceed.

Mr. KENNEDY. The names of Mr. Swanson and Mr. Doran appear on that deed?

Mr. MATHEWS. Yes, sir; it is on here now.

Mr. KENNEDY. And you signed the deed? Your name appears there?

Mr. MATHEWS. That is my name and I signed that, I believe; yes, sir.

Mr. KENNEDY. That is your signature?

Mr. MATHEWS. I think so.

Mr. KENNEDY. Then you must have known at the time, Mr. Mathews, that you were deeding the property to Mr. Swanson and Mr. Doran.

Mr. MATHEWS. Well, of course, the evidence is here that I did. But this is a picture of a picture; is it not?

Mr. KENNEDY. Yes.

The CHAIRMAN. It is a picture of what?

Mr. MATHEWS. A picture of a picture.

The CHAIRMAN. A picture of a picture?

Mr. MATHEWS. Yes, sir. In the recorder's office they have a picture of this. And then you have taken a picture of that picture, and you give it to me.

The CHAIRMAN. Is there anything wrong with that? Does that not reflect the original deed?

Mr. MATHEWS. I cannot say that, sir. I only can say that you cannot find erasures on a picture of a picture.

The CHAIRMAN. Well, I don't know about that. Do you claim that that deed has been tampered with; has been forged?

Mr. MATHEWS. I cannot say that, because I do not know.

The CHAIRMAN. I don't think there is any question about it, about the authenticity of that photostatic copy. Do you question it?

Mr. MATHEWS. I don't know, sir. Everything is there, so I can't—

The CHAIRMAN. At any rate, you do not deny that Doran and Swanson got title to the land, do you?

Mr. MATHEWS. I can't deny it. Here is the picture.

The CHAIRMAN. All right. Proceed.

Senator CURTIS. Mr. Chairman?

The CHAIRMAN. Senator Curtis.

Senator CURTIS. Mr. Mathews, your actions would not be any better where it established that you executed this deed without knowing who the grantee was. That property belonged to the union, didn't it?

Mr. MATHEWS. Yes; it did.

Senator CURTIS. Did you have any authority to execute a deed and acknowledge it before a notary without knowing who the purchaser was and what the terms were, and that the interests of the union were protected? I do not think you bettered your position by saying that you didn't know who it was made to. Maybe they did cover it up with a blotter. Maybe it was in blank.

But I do know that if you had been a faithful trustee of other people's money and property in your charge, that you would have found out those things before you had attached your name and held up your hand before a notary and acknowledged the deed. That is all, Mr. Chairman.

Mr. KENNEDY. I might add, this is a photostatic copy of the copy that is in the recorder's office.

The CHAIRMAN. In other words, they record the deeds by taking photostats of it, and this is a photostat of the recorded photostat?

Mr. KENNEDY. That is correct.

The CHAIRMAN. All right.

Mr. KENNEDY. Going on 6 months after this, Mr. Mathews, the union repurchased this same piece of property for \$35,000, which they had sold for \$15,000.

Mr. MATHEWS. I did not know it was the same piece of property, although I did make a trip up there and take a look at it. But this property had been much changed when I went up there again; the second time I went up there to see it.

Mr. KENNEDY. You were on the property once. You sold this section of property. You went up there again and saw the property that you were repurchasing, and you repurchased that for \$35,000. Do you have any explanation at all for that?

Mr. MATHEWS. No, sir, except that it was finally brought out that we did that; yes. But at this time I did not know it.

Mr. KENNEDY. You were the representative of the international, you made the trips up there, you knew the property, and you had responsibilities. Can you explain that at all to us?

Mr. MATHEWS. No; I can't explain it.

The CHAIRMAN. What is your salary, Mr. Mathews?

Mr. MATHEWS. \$205 a week. I have also a \$35-a-week expense account.

The CHAIRMAN. And an expense account. What does that amount to?

Mr. MATHEWS. \$35.

The CHAIRMAN. \$35.

Mr. MATHEWS. Yes, sir.

The CHAIRMAN. The union, from my viewpoint, far overpaid you for the responsibility you accepted, and for the protection you gave to the members.

Mr. MATHEWS. I must accept that, I guess, if you make a statement of that sort.

The CHAIRMAN. I don't make it on anything except on the basis of the record here and your testimony. I think you will agree with me. Proceed.

Senator MUNDT. Mr. Mathews, I am kind of curious to know about this. You are a forthright witness before this committee. You seem to be telling us the truth as far as you can.

Mr. MATHEWS. I am sorry, sir; I am not hearing you.

Senator MUNDT. I will start louder. I am curious to know what motivated you to do these things. You appear to be a good, forthright witness, you answer the questions directly, and still you were engaging in some pretty reprehensible practices as recording secretary.

Was this because, in your opinion, you did not have the necessary training and background to do the job well? Is it because you were in on the plot and you were getting part of the loot? Or is it because you were afraid to challenge him because it would mean the loss of your job? I can think of three possibilities. If it is none of those, you tell me what it is. If it is one of those, you choose the one.

Mr. MATHEWS. Well, Senator, I have been almost 17 years on the job. For 17 years I haven't got along too well with the manager. After a while you just don't—well, you just don't do anything any more. I told you there is, I think, 15 pieces of property we bought there. There is nothing wrong with it. You found one piece of property there is something wrong with. The record would prove that everything had been done as it should be done, so why shouldn't I believe in this case it would be the same thing?

Senator MUNDT. In other words, you are telling us that you had no reason to suspect there was anything wrong?

Mr. MATHEWS. I had no reason to suspect ever that there was anything with any of the purchases of the property, any property.

Senator MUNDT. On all of these other 14, did you sign deeds in blank?

Mr. MATHEWS. No, sir. There is only one other, I believe, San Jose property.

Senator MUNDT. Did you sign that one in blank, too?

Mr. MATHEWS. No, I did not. No. I don't think I did, anyway. They have a picture of that there, too, I believe.

Senator MUNDT. You would have the committee accept as your position the fact that you think you fulfilled your duties with complete responsibility?

Mr. MATHEWS. I think I did, yes.

Senator MUNDT. You did the job as well as you were able to do?

Mr. MATHEWS. As well as I was able to do, I think so.

Senator MUNDT. And that you didn't profit from it personally?

Mr. MATHEWS. I did not profit from it personally, on that or anything else.

Senator MUNDT. Do you think Mr. Swanson profited from it personally?

MR. MATHEWS. Mr. Senator, I know, because I was there, and I was there when the investigating committee was. You ask me if I think. You know that I know. You shouldn't ask me that question, I don't think.

Senator MUNDT. Tell us what you know.

MR. MATHEWS. Well, what they found out. They have all the evidence there.

Senator MUNDT. In other words, now that Mr. Swanson profited from it personally?

MR. MATHEWS. I do know it now, yes.

Senator MUNDT. When the international made its investigation, they found out he profited from it personally, did they not?

MR. MATHEWS. That is right, they did.

Senator MUNDT. And they ousted him, is that right?

MR. MATHEWS. They did what to him?

Senator MUNDT. Ousted him.

MR. MATHEWS. Yes, sir.

Senator MUNDT. Did they in any way reprimand you at that time?

MR. MATHEWS. Yes, they did, I think, but not publicly.

Senator MUNDT. What did they say?

MR. MATHEWS. I don't remember, sir.

Senator MUNDT. Did they decrease your salary or change your authority or lower your rank or take any punitive action against you in any way?

MR. MATHEWS. No, sir, not that I know of, no.

Senator MUNDT. It was just what you may call sort of a letter of reprimand?

MR. MATHEWS. What I would call a what?

Senator MUNDT. Letter of reprimand, a criticism?

MR. MATHEWS. Well, call it criticism, I presume.

Senator MUNDT. Who was it that criticized you? Mr. Maloney?

MR. MATHEWS. No, I don't know, sir. I am not sure. I have been criticized so much here lately that I don't remember who criticizes me here, there, or the other place. I don't remember who criticized me. I know I was criticized.

Senator MUNDT. In writing or verbally.

MR. MATHEWS. No. At the hearing.

Senator MUNDT. At the hearing?

MR. MATHEWS. Yes. Mr. Swanson's trial.

Senator MUNDT. Maybe by a lawyer, then? Maybe by the prosecuting attorney? Would that be it? I am trying to find out whether anybody in the international union office, any of the international officers, criticized you.

MR. MATHEWS. No, I don't think so.

Senator MUNDT. You think Mr. Maloney thought that was all right?

MR. MATHEWS. No, I don't think he thought it was all right. I know he didn't think it was all right.

Senator MUNDT. But he did not criticize you?

MR. MATHEWS. No, he did not, that I know of.

Senator MUNDT. Let me put it this way: Who was it that took Mr. Swanson out of the job after they found out what he had been doing?

MR. MATHEWS. Well, I think the international executive board.

Senator MUNDT. Did the international executive board criticize you? Did they commended you? Did they put a gold star on your record, or what did they do?

Mr. MATHEWS. I was criticized, I think, by a couple of the vice presidents. I know which ones, I think, which criticized me.

Senator MUNDT. I am not so much concerned as to which ones as to what they said. Did they say it in writing, in a letter, or was it just orally.

Mr. MATHEWS. In the hearing. I believe you have a transcript of the hearing here, sir.

Senator MUNDT. You were not criticized beyond what was said in the transcript of the hearing. Is that a fair statement?

Mr. MATHEWS. I think so.

Senator MUNDT. All right.

Mr. KENNEDY. You say you went to the property a second time. Who was there with you the second time?

Mr. MATHEWS. I do not know.

Mr. KENNEDY. Was Mr. Swanson there with you?

Mr. MATHEWS. I think so, but I don't know. I can't answer that question. I don't know.

Mr. KENNEDY. What is your best recollection on it?

Mr. MATHEWS. Well, my best recollection is nothing. I was told at the trial there were a number of people there.

Mr. KENNEDY. Do you think Mr. Doran was there with you?

Mr. MATHEWS. Well, do you want me to think or do you want me to know?

You swore me.

Mr. KENNEDY. I asked you the other day, and I believe you said that you thought—

Mr. MATHEWS. I thought.

Mr. KENNEDY. What is your best recollection as to who was there with you? Mr. Marshall Swanson—was he there with you?

Mr. MATHEWS. That I do not know. He says he was.

Mr. KENNEDY. What about Mr. Victor Swanson?

Mr. MATHEWS. Well, I think he was.

Mr. KENNEDY. All right. That is all right. I am not asking you whether you are positive. You think he was there.

Mr. MATHEWS. Thank you for that. You are asking me things that I have been over so many times.

Mr. KENNEDY. What about Mr. Doran, was he there?

Mr. MATHEWS. I would imagine he was; yes.

Mr. KENNEDY. Where did you go other than this piece of property? Did you go around the city of Stockton?

Mr. MATHEWS. Yes; I think we looked at some other property there.

Mr. KENNEDY. What was the other property that you looked at?

Mr. MATHEWS. Well, do you want me to tell you where it was?

Mr. KENNEDY. Was there a piece of property called the Kenworthy property?

Mr. MATHEWS. I don't know whether we looked at it at that time or not. But we own some Kenworthy property.

Mr. KENNEDY. Kenworthy property?

Mr. MATHEWS. Yes, sir.

Mr. KENNEDY. Tell me this: You say you didn't profit anything out of this Stockton deal?

Mr. MATHEWS. I said that; yes, sir.

Mr. KENNEDY. You did not get any money?

Mr. MATHEWS. No money.

Mr. KENNEDY. You did not know at the time that any money was going to Doran or Swanson?

Mr. MATHEWS. I didn't know at the time.

Mr. KENNEDY. You didn't learn until the international began its investigation?

Mr. MATHEWS. That is right.

Mr. KENNEDY. You didn't know anything about this land deal, the way they finagled the land?

Mr. MATHEWS. No, sir.

Mr. KENNEDY. Did you ever have any conversations with Mr. Swanson or Mr. Doran about having the same kind of operation on the Kenworthy property as you had had on the Stockton land deal?

Mr. MATHEWS. I don't know what you are talking about, sir.

Mr. KENNEDY. Did you ever talk to them about setting up an intermediate corporation? You paid \$30,000 for that land, did you not, the Kenworthy land?

Mr. MATHEWS. That I don't know, the exact amount.

Mr. KENNEDY. Did you ever discuss the fact that you paid \$30,000 for that land, that you would set up an intermediate corporation and sell the land to the intermediate corporation for \$30,000 and then allow them to sell it for \$45,000, which is what you could get for the property at that time?

Mr. MATHEWS. I don't know what you are talking about, sir.

Mr. KENNEDY. Didn't you come back—

The CHAIRMAN. Wait a minute. You say you don't know what he is talking about. He has asked you definite questions whether you had any conversation with respect to setting up an intermediate corporation.

Mr. MATHEWS. I did not.

The CHAIRMAN. That is the answer, then. Proceed.

Mr. KENNEDY. Was somebody actually approached on it? You were going to lease it for a period of 5 years and then sell this piece of property to them, and they were going to establish a drive-in theater on this property?

Mr. MATHEWS. No, sir.

Mr. KENNEDY. You had no conversations like that?

Mr. MATHEWS. I did not.

Mr. KENNEDY. You never heard anything about it at all?

Mr. MATHEWS. I did not.

Mr. KENNEDY. You say you were in Washington around January 1957, shortly after the committee was set up. After you got back to San Francisco, did you drive down to see Mr. Doran and tell him that this committee had been set up, and that you thought they would start looking into some of these kinds of deals and you better not go through with it?

Mr. MATHEWS. I did not.

Mr. KENNEDY. You did not tell them that the McClellan committee had been set up, and you better not go through with this business deal?

Mr. MATHEWS. I did not know that the McClellan committee was ever set up until they came to San Francisco.

Mr. KENNEDY. You never heard of the McClellan committee?

Mr. MATHEWS. Yes, I heard of the McClellan committee, but I did not know they were coming to San Francisco until they came to the San Francisco office.

(At this point, Senator Curtis withdrew from the hearing room.)

Mr. KENNEDY. You were also keeping the minutes, were you not?

Mr. MATHEWS. That is right.

Mr. KENNEDY. And the official minutes were kept in your office?

Mr. MATHEWS. That is right.

Mr. KENNEDY. You had them in a steel cabinet?

Mr. MATHEWS. That is right.

Mr. KENNEDY. You had the key to the steel cabinet?

Mr. MATHEWS. I had one of the keys, yes.

Mr. KENNEDY. Who else had a key?

Mr. MATHEWS. My secretary. And, I don't know, maybe Swanson had one.

Mr. KENNEDY. Do you know if he had one?

Mr. MATHEWS. I am not sure.

Mr. KENNEDY. In these six different instances that we have been able to show, the minutes were altered. Were you aware of that?

Mr. MATHEWS. I was aware of it when Mr. Moore, the auditor of the international, came out there.

Mr. KENNEDY. Can you give me any explanation as to how they were altered?

Mr. MATHEWS. I cannot.

Mr. KENNEDY. You had the key to the office, you had the key to the steel cabinet?

Mr. MATHEWS. That is right, sir.

Mr. KENNEDY. Nobody else could get into the cabinet except you and your secretary.

Mr. MATHEWS. Yes, they do have. Somebody else could have had a key to those cabinets; there are thousands of them made.

The CHAIRMAN. As I understood the witness, your secretary, when she testified, she said that you dictated the minutes of the meeting to her.

Mr. MATHEWS. That is right.

The CHAIRMAN. When you dictated the minutes of the meeting to her, did you cover all of the transactions that you knew had taken place?

Mr. MATHEWS. Yes, sir.

The CHAIRMAN. All right. Then the original minutes that she typed up reflected the actual transactions that had taken place at those meetings?

Mr. MATHEWS. No. There were things that were off the record in there. We have those, and I think everybody does.

The CHAIRMAN. I am talking about business transactions.

Mr. MATHEWS. That is right.

The CHAIRMAN. In other words, the changes in the minutes reflecting motions made and actions taken, those changes made do not reflect what actually transpired at the meeting?

Mr. MATHEWS. The changes?

The CHAIRMAN. Yes, sir.

Mr. MATHEWS. The changes did not reflect what happened at the meeting.

The CHAIRMAN. In other words, that was a false entry as to the action that had been taken?

Mr. MATHEWS. Yes, sir.

The CHAIRMAN. And you dictated to the secretary and she typed up the true proceedings of those meetings?

Mr. MATHEWS. Yes, sir.

Mr. KENNEDY. And you have no explanation as to how they were altered?

Mr. MATHEWS. I do not have an explanation.

Mr. KENNEDY. You did not know they were being altered at the time?

Mr. MATHEWS. I did not know.

Mr. KENNEDY. You did not know until the international made its investigation?

Mr. MATHEWS. That is right.

The CHAIRMAN. Have you any information as to who did make those alterations?

Mr. MATHEWS. I do not have the information as of now.

Mr. KENNEDY. You were with the union at the time it purchased its boat?

Mr. MATHEWS. Yes, sir.

Mr. KENNEDY. Were you aware at that time that the boat cost \$20,000?

Mr. MATHEWS. Do you mean at the date of the purchase?

Mr. KENNEDY. Well, there or about that time, the date or thereabouts. Were you aware on the date of the purchase or within a month of that time?

Mr. MATHEWS. Yes; I was aware. I must have been aware, because I signed the check.

Mr. KENNEDY. For the \$10,000?

Mr. MATHEWS. Yes, sir.

Mr. KENNEDY. And were you aware—

Mr. MATHEWS. No; not \$10,000.

Mr. KENNEDY. It was three checks—\$8,000, \$500, and \$500.

Mr. MATHEWS. I think so.

Mr. KENNEDY. Were you aware of the fact that the boat actually cost \$20,000?

Mr. MATHEWS. Shortly after that, yes.

Mr. KENNEDY. Within what period of time? At the time you wrote the second check?

Mr. MATHEWS. The second check.

Mr. KENNEDY. For \$10,000?

Mr. MATHEWS. I think I was told then it cost \$20,000.

Mr. KENNEDY. That was dated July 30?

Mr. MATHEWS. I don't know.

Mr. KENNEDY. That was the check to the Stolte, Inc? The construction company.

Mr. MATHEWS. I think so. I am pretty sure. You are talking about a check that I endorsed on the back so they could get it cashed?

Mr. KENNEDY. It was made out to cash. Why did you agree to do that, Mr. Mathews?

Mr. MATHEWS. I sign a lot of checks that are to cash.

Mr. KENNEDY. But you knew that this was going for the purchase of the boat.

Mr. MATHEWS. I see nothing wrong with it. The boat was owned by the union and that money was going to buy the boat. What was wrong with that? Was there something wrong with that?

The CHAIRMAN. There may not be anything wrong with it, except that the proper business procedure would be to make the check to the owner of the boat, the one you purchased it from, instead of making it for cash and entering it on the books, for the purpose of constructing on some property.

Mr. MATHEWS. There is nothing wrong with it that I know of.

The CHAIRMAN. I think you would agree that there is something wrong in handling a transaction like that. It would be calculated to cover up the true purpose of the expenditure; would it not? Wouldn't that be the purpose of it?

Mr. MATHEWS. Yes, sir; that would be the purpose of it. It was, I presume; I think so.

(At this point, Senator McNamara entered the hearing room.)

The CHAIRMAN. Here is a warrant that appears to have been signed by you, which has been made exhibit 20 in these hearings. I present this warrant to you, exhibit 20, and ask you if the warrant does not state that the \$10,000 on July 30, 1947, made payable to cash, was for Stolte, Inc., Oakland Building.

Mr. MATHEWS. Yes, sir. I have seen that a number of times already. (The document was handed to the witness.)

The CHAIRMAN. Sir?

Mr. MATHEWS. I have seen it a number of times already.

The CHAIRMAN. Well, I present that warrant to you.

Mr. MATHEWS. I signed the warrant.

The CHAIRMAN. When you signed that warrant, did you know at that time that that money was not going to that company, that construction company, but that it was going to pay for a boat?

Mr. MATHEWS. Not at the time I signed this warrant.

The CHAIRMAN. Not at that time?

Mr. MATHEWS. No, sir.

The CHAIRMAN. The check was written when? It was the same date. I believe you testified that at the time you wrote the check you knew it was going for a boat.

Mr. MATHEWS. I signed the check. I signed the back of the check for the money. I knew where it was going.

The CHAIRMAN. When you signed the check for the money, to cash?

Mr. MATHEWS. Yes.

The CHAIRMAN. You knew it was going then to pay for a boat?

Mr. MATHEWS. Yes, sir.

The CHAIRMAN. When you signed the warrant, you say you didn't know it was going to pay for a boat?

Mr. MATHEWS. No, sir.

The CHAIRMAN. Let us see the check and the date of it.

Mr. KENNEDY. Wouldn't the warrant and the check be written on the same day, the same time?

Mr. MATHEWS. They would be written at the same time, but I probably wouldn't sign them the same time.

Mr. KENNEDY. You would sign the check without seeing the warrant?

Mr. MATHEWS. No; the warrant is with the check.

Mr. KENNEDY. Then you would see that warrant at the time?

Mr. MATHEWS. No; I probably wouldn't. I probably would sign the check so that it could be disbursed, and I would go over the warrants afterward.

Mr. KENNEDY. You said you got the warrant and check at the same time, and, therefore, you would have signed the warrant when you signed the check.

Mr. MATHEWS. Mr. Kennedy, I have signed \$100,000 of these checks, at least that many. The checks are brought in one basket, and the warrants and things are brought in another one.

The CHAIRMAN. I present to you a photostatic copy of a check dated July 30, 1947, made payable to cash, in the amount of \$10,000. The check was signed by P. E. Vandewark and C. F. Mathews on the Hibernia Savings & Loan Society. I ask you to examine that check and state if you identify it and if you signed it.

(The document was handed to the witness.)

Mr. MATHEWS. I signed it and I identify it.

The CHAIRMAN. You say at the time you signed that check, that you knew that the cash that the check called for was going to pay for the boat?

Mr. MATHEWS. When I made this endorsement here, I knew where it was going.

The CHAIRMAN. You knew where it was going?

Mr. MATHEWS. Yes, sir.

The CHAIRMAN. The check and the warrant bear the same date?

Mr. MATHEW. That is right.

The CHAIRMAN. Between the time you signed the warrant, when you say you didn't know, and the time you signed the check, how did you get information that caused you to know that it was going to pay for a boat and not going to a construction company?

Mr. MATHEWS. I learned it from Mr. Swanson.

The CHAIRMAN. Mr. Swanson told you in between the time you signed the warrant and the time you signed the check, that that was not true, that it was not going for construction, that it was going to pay for a boat.

Mr. MATHEWS. That is right.

The CHAIRMAN. Knowing that, you signed the check?

Mr. MATHEWS. Stolte was working on the Oakland building at that time.

The CHAIRMAN. I understand. But that was a false entry in your record?

Mr. MATHEWS. That is right.

The CHAIRMAN. And you knew it was a false entry when you signed the check?

Mr. MATHEWS. Yes.

The CHAIRMAN. That check may be made exhibit No. 60?

(The document referred to was marked "Exhibit No. 60" for reference and will be found in the appendix on p. 7899.)

The CHAIRMAN. I present to you a photostatic copy of a letter dated September 18, 1947. The letter is addressed to you, from Mr. William E. Maloney, general president, International Union of Operating

Engineers. I present this letter to you, ask you to examine it, and state if you identify it.

(The document was handed to the witness.)

Mr. MATHEWS. I do.

The CHAIRMAN. It may be made exhibit 61.

(The document referred to was marked "Exhibit No. 61" for reference and will be found in the appendix on p. 7900.)

The CHAIRMAN. This is dated September 18, 1947, on the International Union of Operating Engineers' stationery, addressed to Mr. C. F. Mathews, recording secretary, local 3, room 404, 1019 Market Street, San Francisco, Calif.

DEAR SIR AND BROTHER: I am in receipt of a communication from your auditor who examines the reports of local union 3, in which attention is called to the fact that you bought a launch for \$10,000. I thought it was distinctly understood by you as representing local union 3 that you would communicate with this office to get permission to make expenditures of this kind. As this is a violation of this understanding, I wish you would communicate with this office and explain this expenditure.

Did you respond to that letter?

Mr. MATHEWS. I did, sir.

The CHAIRMAN. I hand you here a photostatic copy of a letter dated September 24, 1947, purportedly to have been signed by you, addressed to William E. Maloney, general president, International Operating Engineers. I ask you to examine it and state if you identify it.

(The document was handed to the witness.)

Mr. MATHEWS. Yes, sir, I wrote the letter.

The CHAIRMAN. That may be made exhibit No. 62.

(Document referred to was marked "Exhibit No. 62" for reference and is as follows:)

The CHAIRMAN. This letter is dated September 24, 1947, by air mail, to Mr. William E. Maloney, general president, International Union of Operating Engineers, 1003 K Street NW., Washington 1, D. C.

DEAR SIR AND BROTHER: Replying to your communication of September 18 regarding purchase of a launch in the amount of \$10,000, and in compliance with your request that I communicate with your office regarding this expenditure, the executive board of local union 3 recommended the purchase of the launch and it was approved by the membership on August 2. I considered the purchase of the launch along the same lines that I would have considered the purchase of an automobile, airplane, the property in San Francisco, Oakland, and Stockton. That is, an investment rather than an expenditure.

In connection with the second paragraph of your letter, I would rather discuss this with you personally, and I hope that it will be possible for you to make arrangements for such discussion while you are here on the coast.

With best wishes and kindest regards, I am,

Faternally yours,

C. F. MATHEWS, *Recording Secretary.*

This letter, Mr. Mathews, was written some 2 months after you knew that the boat had cost \$20,000 instead of \$10,000?

Mr. MATHEWS. That reference in that paragraph has to do with the letter that he wrote me.

The CHAIRMAN. I understand, but you didn't at that time even tell him that the boat actually cost \$20,000 instead of \$10,000, did you?

Mr. MATHEWS. No, I didn't at that time. I could have told him when he talked to me afterward. I meant to tell him that.

The CHAIRMAN. Did you ever have the discussion referred to?

Mr. MATHEWS. No. I never had any further discussion than you see in that letter about the boat.

The CHAIRMAN. In other words, it has been 11 years since, and there has been no discussion about it?

Mr. MATHEWS. That is right.

The CHAIRMAN. And you never revealed to the international president the finagling that had gone on, and the discrepancy and coverup that had been entered into the books, the false entry with respect to what the boat cost?

Mr. MATHEWS. I did not.

The CHAIRMAN. All right.

Mr. KENNEDY. I would like to ask you about another matter; namely, the \$10,000 that was used, the check that was cashed, in order to fight the "construction stiff." Did you know anything about that?

Mr. MATHEWS. I did.

Mr. KENNEDY. What was that for?

Mr. MATHEWS. That was for what it says. The minutes of—well, I don't know what date, but you have them there. I told your investigators about it.

That money was to be used to find out who the "construction stiff" were.

Mr. KENNEDY. And you felt that that was a good use of the union money? You approved of that?

Mr. MATHEWS. Well, the union approved of it; yes.

Mr. KENNEDY. And you signed the check?

Mr. MATHEWS. That is right.

Mr. KENNEDY. Did you receive any money out of that?

Mr. MATHEWS. Yes, I think I did.

Mr. KENNEDY. How much did you receive?

Mr. MATHEWS. I don't know.

Mr. KENNEDY. What did you receive it for?

Mr. MATHEWS. To make trips to different parts of our territory.

Mr. KENNEDY. To do what?

Mr. MATHEWS. To talk to the members. To visit with them. To find out if we could find anything else about these "construction stiff," who they were, who was responsible for these letters that they wrote.

I think you have there a list of where I was. I think you should have receipts for expenditures there.

The CHAIRMAN. Let us see what we have.

Senator MUNDT. Mr. Mathews, when you go out in the field looking for a "construction stiff" and find one, then what do you do?

Mr. MATHEWS. Well, we cite him before the union, if we find one. If we can prove that he is tearing down the union, yes, we would cite him before the executive board.

Senator MUNDT. Would you fine him if he tries to protest against the policies of the union, do you mean?

Mr. MATHEWS. Yes, if he was doing anything against the union, which I think those letters would inspire disrespect for the officers and disrespect for the union.

Senator MUNDT. Is that considered democratic policy in your international union, that if a man protests against union policy he is fined?

Mr. MATHEWS. Not if he does it in person.

Senator MUNDT. He can't do it by letter?

Mr. MATHEWS. Well, if he has something against the union, he should come to the union and make his protest.

Senator MUNDT. Does the international union interpret the Bill of Rights to the American Constitution to exclude free speech by letter?

Mr. MATHEWS. We have lots of complaints by letters, sir.

Senator MUNDT. That is what I am trying to find out. When you find a "construction stiff," why should you try to fine him or penalize him in any way for expressing his views?

Mr. MATHEWS. There is no way to penalize him unless you bring him before the union.

Senator MUNDT. I know that. But why should he be penalized at all? If he is a union member, hasn't he a right to protest against union policies?

Mr. MATHEWS. I guess everyone in the United States has a right to protest whatever they want.

Senator MUNDT. Without being fined?

Mr. MATHEWS. Yes.

Senator MUNDT. But you say you want to find him and then fine him.

Mr. MATHEWS. I want to bring him before the membership.

Senator MUNDT. But you want to fine him, you want to put a penalty on him.

Mr. MATHEWS. I didn't say I would put a penalty on him. I said he would be cited before the local union for trial.

Senator MUNDT. Didn't you use the word "fined"?

Mr. MATHEWS. I don't think I would; no, sir. I said I would find him.

Senator MUNDT. F-i-n-d?

Mr. MATHEWS. We tried to find him.

Senator MUNDT. All right. You are going to find him. Now you found him. Now what do you do?

Mr. MATHEWS. He would be cited before the union.

Senator MUNDT. Here he is, "Joe Bloke," American, marine, war veteran, doesn't like what is going on, and says so. Then you found him. What are you going to do to him?

Mr. MATHEWS. You can't do anything to him, unless he is guilty of telling falsehoods. What do you do in court? What do you do? What are you doing with me?

Senator MUNDT. It is a little bit different so far as you are concerned.

Mr. MATHEWS. I guess so. I must be.

Senator MUNDT. You are talking about a fellow who belongs to a union. In fact, he has to belong to the union to get a job in your outfit.

Mr. MATHEWS. He doesn't have to belong to the union to get a job.

Senator MUNDT. He doesn't? You don't have a closed shop?

Mr. MATHEWS. There are a lot of them working that don't belong in the union.

Senator MUNDT. Do you have a closed-shop contract or not?

Mr. MATHEWS. Well, you are going to have to explain to me what a closed-shop contract is.

Senator MUNDT. I should explain that to you?

Mr. MATHEWS. That is right.

Senator MUNDT. You know more about that than I do.

Mr. MATHEWS. You are asking the question. I don't know how to answer it.

Senator MUNDT. Let me ask you, then. On your construction work out in San Francisco, where local 3 operates, does a man have to belong to a union to work on these contracts with union members or not?

Mr. MATHEWS. We have people working there that do not belong to our union. I cannot tell you exactly what their names are, or where they are working.

Senator MUNDT. I am trying to find out.

Mr. MATHEWS. I do know that they are working there, and I do know that they are joining our union every day.

Senator MUNDT. But it is purely voluntarily, you are telling me?

Mr. MATHEWS. I think so.

Senator MUNDT. They don't have to join a union, but if they want to join it, they can. Very well, I will accept your word for that.

Mr. MATHEWS. Just a moment. You are putting words in my mouth; are you not?

Senator MUNDT. No, I am not.

Mr. MATHEWS. You see, we have many agreements. I think there are some almost 200 agreements, and some of those agreements require, in accordance to law, and in accordance to the national labor relations law, which covers the hiring of new people—well, we have one agreement there with the AGC, I believe, and it is common property. You can get a copy of it anywhere. It says that employees within 30 days will become members of the union. That is a closed shop? You said that.

Senator MUNDT. You have some closed-shop contracts?

Mr. MATHEWS. You said that. I didn't. I asked you if that is a closed shop.

Senator MUNDT. If I understand what you are saying, I think it is a closed shop. That is, a man after 30 days has to belong to a union or get off the job. Is that what you told me?

Mr. MATHEWS. As required by the National Labor Relations Board.

Senator MUNDT. I am not complaining. I would call that a closed shop. We will say it is compulsory union membership for the fellow who works more than 30 days. Will you agree to that?

Mr. MATHEWS. I am sorry that I even talked to a lawyer.

Senator MUNDT. You are not talking to a lawyer. You are talking to a fellow from South Dakota who is not a lawyer. So we can talk on common ground.

I don't want to confuse you, and I don't want you to mislead me, because I am not a lawyer.

Mr. MATHEWS. I don't want to mislead anyone.

Senator MUNDT. We will talk about Joe Block now, who, after 30 days, finds himself in a union which he must belong to to support his family. Do you agree so far?

Mr. MATHEWS. I don't like to be led, sir.

Senator MUNDT. What?

Mr. MATHEWS. I don't like to be led, sir.

Senator MUNDT. Led?

Mr. MATHEWS. I have already told you. I already answered.

Senator MUNDT. I am asking you a question. I am not leading. Is it true that a man——

Mr. MATHEWS. You are telling me something, and you want me to say "yes" or "no," do you not?

Senator MUNDT. Certainly.

Mr. MATHEWS. That is what I am afraid of.

Senator MUNDT. Well, you can take the fifth amendment.

Mr. MATHEWS. I don't need any fifth amendment.

Senator MUNDT. I wouldn't think so. Why don't you answer the question? Is it true that some of the men working on some of the projects under local No. 3, after having worked for 30 days, either have to join the union or get off the job? Is that right or wrong? Is it true or false? I am not complaining about it. I have to find out the facts.

Mr. MATHEWS. I don't think so. I don't think we run many people off the jobs because they don't join our union. I don't know of any case.

Senator MUNDT. Are you telling me that in the operation of your union, a man does not have to join the union after working 30 days? All I want to know is where we are.

Mr. MATHEWS. I think there is a lot of them working. I don't know. I work in the office and other people work in the field.

Senator MUNDT. Give me the name of one man. Name me one man that you know working on a contract out there for more than 30 days, on which you have a contract, that does not have to belong to your union.

Mr. MATHEWS. One fellow?

Senator MUNDT. Yes.

Mr. MATHEWS. I don't work in the field, sir. I work in the office.

Senator MUNDT. You said there were many of them.

Mr. MATHEWS. I think there are many of them.

Senator MUNDT. You said a while ago you do not want to think. Do you know. Do you know of any one man? We will put it that way.

Mr. MATHEWS. Yes; I know of one, but I can't think of his name at the moment.

Senator MUNDT. You know of one?

Mr. MATHEWS. Before I get through, I will tell you his name.

Senator MUNDT. You will think of his name?

Mr. MATHEWS. Yes.

Senator MUNDT. I will reshape my question.

Do you think it is a proper expenditure for a union to spend money trying to find a construction stiff, who is a member of the club, who protests about some of the rules of the club, or some of the regulations, or some of the officers? I would think he would have that right.

Mr. MATHEWS. I think the expenditure is the right expenditure to expend for anything that the membership votes on.

Senator MUNDT. Did this idea of sending out sleuths to find construction stiffs originate with the membership or with the officers?

Mr. MATHEWS. Well, the membership voted to find out who they were. They had a regular meeting.

Senator MUNDT. Did they initiate the action or simply vote the approval of the action of the officers after they had taken the action?

Mr. MATHEWS. They voted to spend money to find these people, and to find who was disrupting the club, as you call it.

Senator MUNDT. And they did that before the officers had started spending the money?

Mr. MATHEWS. Yes; I believe so.

Senator MUNDT. Are you sure?

Mr. MATHEWS. I am not sure of anything.

Senator MUNDT. That is an altogether different picture, Mr. Mathews. If somebody gets up at a union meeting and says "Look, I think somebody ought to go around and find out who the construction stiff's are, we ought to spend money and locate them," that is one thing.

It is quite something different if the officers come in with a big, jumbled-up report, at a sparsely attended union meeting, and say, "Please approve the expenditure of X number of thousands of dollars we have spent in sending out detectives to find the construction stiff's"; I think you ought to replace the officers.

Mr. MATHEWS. I think the motion was made by a member, not an an officer.

Senator MUNDT. I am trying to find out at what juncture. Was it after the sleuthing had begun or before?

Mr. MATHEWS. That I cannot answer.

Senator MUNDT. One of our staff members just told me that the construction stiff's lived a long way from San Francisco and could not very well get to a meeting to defend themselves or present their points of view, and the meetings of the local were held only in San Francisco. Only the people there, and probably only a small percentage of the membership there, attended the meeting. There was not much chance for the people living three or four hundred miles away to register their complaints.

Mr. MATHEWS. There were meetings held at different times all over the country, all over our jurisdiction.

Senator MUNDT. That is a comparatively new policy of the union, I am told, that you have had the policy in the past of holding the general membership meetings only in San Francisco.

Mr. MATHEWS. Not membership meetings. We have had meetings at different times in the territory.

Senator MUNDT. But your general membership meetings are only held in San Francisco; is that correct?

Mr. MATHEWS. In accordance with the bylaws, our meetings are held in San Francisco, the general membership meetings.

Senator MUNDT. That is the point I am making, because that is where the business is transacted; is that correct?

Mr. MATHEWS. We have meetings outside, too.

Senator MUNDT. I am not talking about just any meetings. I am talking about where business is conducted, and the business is conducted at the general meetings held in San Francisco. Right or wrong?

Mr. MATHEWS. That is right. That part of it is right; yes.

Senator MUNDT. That is the part I was trying to find out about.

Senator McNAMARA. I would like to ask the witness a couple of questions along the same line, Mr. Chairman.

Mr. Mathews, you indicate from your answers that you think that because the membership voted to spend this money for a particular purpose, that they had a right to do it because it was their money. Is that correct?

Mr. MATHEWS. Well, they have a right to do anything they want to with any money that they have.

Senator McNAMARA. Except illegal acts.

Mr. MATHEWS. Illegal?

Senator McNAMARA. You would not say that they had a right to appropriate money to commit illegal acts, would you?

Mr. MATHEWS. No.

Senator McNAMARA. So long as they are within the law, they have a right to spend their money any time they want to, anywhere they want to. Is that your position?

Mr. MATHEWS. That is my position.

Senator McNAMARA. I must heartily agree.

The CHAIRMAN. I understood you said that you did get some of the funds, some of the money, out of the "construction stiff" appropriation of \$10,000.

Mr. MATHEWS. Yes, sir.

The CHAIRMAN. And that you filed a report on those funds?

Mr. MATHEWS. That is right.

The CHAIRMAN. I present to you here photostatic copy of a memorandum or expense account that you apparently submitted, addressed to the trustees of local union No. 3. It bears different dates on it, all of them in 1955. I will ask you to examine the 2-page document and state if you identify that as a photostatic copy of the expenses that you reported?

(Document handed to witness.)

Mr. MATHEWS. Yes, sir.

The CHAIRMAN. Thank you. That may be made exhibit 63.

(Document referred to was marked "Exhibit No. 63" for reference and will be found in the appendix on p. 7901-7902.)

Mr. MATHEWS. Is there any more to that? Do you not have the receipts?

The CHAIRMAN. I will inquire.

Were you able to find any receipts for these?

Mr. SALINGER. We have not, sir.

Mr. KENNEDY. These were not even in the union files. They are from a different source. There were not any receipts.

The CHAIRMAN. Did you procure receipts for these expenditures?

Mr. MATHEWS. For 99 percent of them; yes, sir.

The CHAIRMAN. For 99 percent?

Mr. MATHEWS. Yes, sir.

The CHAIRMAN. What did you do with the receipts?

Mr. MATHEWS. I gave them to Mr. Swanson the same time I gave him that copy there.

The CHAIRMAN. At the same time you presented this to Mr. Swanson, you presented him the receipts for your expenditures?

Mr. MATHEWS. Yes, sir.

The CHAIRMAN. I am advised by the staff that they were unable to find the receipts in the files, among the records, of your union.

Mr. MATHEWS. They found this, but they could not find the receipts, do you mean?

The CHAIRMAN. I understand they did not get this from the files. Is that correct?

Mr. SALINGER. That is correct.

The CHAIRMAN. They got it from another source.

Mr. MATHEWS. You got it from Mr. Swanson, did you?

The CHAIRMAN. Well, anyway, it was not in the files.

Mr. MATHEWS. That is who it was given to.

The CHAIRMAN. I will confer with counsel and determine that later. You identify this, anyway?

Mr. MATHEWS. I identify that part of it, but there is another part to it.

The CHAIRMAN. I will have the staff or whoever procured this document state whether any receipts were found with it. I wish to call your attention to some of this.

As I understood it, you were out to try to find the men or those responsible for this campaign, the campaign the "construction stiffs" were putting on, the campaign of criticism and so forth. Is that correct?

Mr. MATHEWS. That is right.

The CHAIRMAN. According to your report, on January 28, 1955, you were in Stockton, Calif., and spent \$287.50 for dinner and entertainment. Is that correct?

Mr. MATHEWS. It must be, if it is on there.

The CHAIRMAN. In addition, you paid the hotel \$45.50 for your own accommodations, I suppose.

Mr. MATHEWS. That is right.

The CHAIRMAN. And car repair one-hundred seventy-five dollars and some cents. Is that your car or the union's car?

Mr. MATHEWS. The union's car.

The CHAIRMAN. I think that would be perfectly legitimate. Two days later you go down to Sacramento, Calif., January 30, 1955, and you have another banquet, in the amount of \$397.50, and a car rental of \$85, hotel and meals of \$58, a total of \$540.50 for 1 day there. Is that correct? Did you spend that much money there?

Mr. MATHEWS. If it is there, it must be.

The CHAIRMAN. Then on February 12 and 13, you went to Fresno, Calif. You had dinner and entertainment again, \$203.65, hall rent of \$25, hotel and meals \$83.50, or a total of \$286—and that is an error—\$286.65; \$286.65 does not include this total amount. You have \$203.65, \$25, \$83.50—well, there is a discrepancy there that is an error. You did not get all of your money back. You short-changed yourself on that one.

Mr. KENNEDY. It is about \$311.

The CHAIRMAN. You short-changed yourself there. You actually did not have the \$25 that you have for hall rent. They owe you \$25 more on that one.

Then you went out to Salt Lake City, Utah, on March 19 and 20, still looking, I guess, for these "Stiffs." You had a dinner and entertainment there for \$520, hotel and meals of \$55.75, transportation of \$83.50, or a total of \$659.05. I have not added that. You better recapitulate these figures. You may have some more money coming.

Then you went to Provo, Utah. You had entertainment and dinner for \$345, and hall rent—the dates for this are not here—hall rent of \$25. That was \$375.

In Redding, Calif., you had, April 16 and 17, dinner and entertainment, parking, garage, and motor tune-up, a total of \$148. According to your grand total for all of it, it is \$2,513.45.

Did you find any "Stiffs" when you spent this money?

Mr. MATHEWS. No; I didn't. I found some people who said they were, but I never did prove anything.

The CHAIRMAN. I do not know much about investigating, but having a big banquet and feed is not very conducive to going out and finding out who is putting out the propaganda. I do not know, maybe that is a good way to do it. But it was not successful; was it?

Mr. MATHEWS. No, sir.

The CHAIRMAN. Senator Mundt?

Senator MUNDT. Mr. Mathews, you should be as interested as this committee is in getting gangsters, crooks, and robbers out of the union movement, that is, at least in getting them out of official union positions. You are the secretary and presumably one of the custodians of the membership rights, their vested interest in their funds.

Here we have a situation where the Construction Stiff News-points out evidence against Swanson, evidence against Maloney, which has subsequently been brought to light. They have been doing a great constructive service advising fellow members of the union that they were being robbed.

What happens? You authorize, and the other officials of the union authorize, an expenditure of \$10,000 to stop the union members from cleaning up their own union. Some of the union leaders of this country say "We don't need any legislation. We will clean this up ourselves." I think some of them would like to clean it up themselves, but how will you clean it up from the inside without legislation, if you put \$10,000 worth of so-called detectives out trying to find the fellows who are trying to clean it up from the inside?

Mr. MATHEWS. We are not trying to find anybody that had legitimate beefs.

Senator MUNDT. What could be more legitimate than being the first to publicize the corruption by Victor Swanson that you have been telling us about now?

You say, "I know he took the money. I don't have to think. I know it now." There were people who knew it before that that were trying to get him out. They had the right guy. They knew he was walking south with their dough. They were telling the workers about it.

Is that legitimate? Do you think it is legitimate to point out, if a fellow is crooked, to point that out to the people who are being robbed?

Mr. MATHEWS. Yes; if you know, if you can prove it; yes.

Senator MUNDT. The march of history has demonstrated that they must have known; that they could prove it. Now you come here and say, "I know Swanson was getting away with the money."

Mr. MATHEWS. I helped get all this information.

Senator MUNDT. Precisely. I am not criticizing you as an individual for what you have done since the facts came out. I am criticizing you as an official of the union and those with you, who put a \$10,000 army in the field to stop the honest Johns from pointing out the crooks.

I do not see where you are ever going to clean the union movement up from the inside if the dues paid by the members are used to protect corrupt elements in the union.

Do you think there is something wrong with that kind of expenditure of money, really, Mr. Mathews?

Mr. MATHEWS. No more than there is wrong with somebody investigating somebody else, no more than is wrong with your committee investigating the union; is there?

Senator MUNDT. I cannot see any comparison.

Mr. MATHEWS. Don't this committee spend a lot of money?

Senator MUNDT. It is a lot different, it seems to me: Our committee has never gone out in the field to try to protect the corrupt. We are trying to expose the corruption.

You were spending the money to perpetuate corruption, to stop the people who were calling attention to the corruption. I do not see the analogy at all. They are as similar as black is to white, but that is about as similar. Maybe the similarity is on the theory that you call the black cat Snowball.

That is all.

The CHAIRMAN. Are there further questions?

Senator McNAMARA. Yes, Mr. Chairman.

Has the witness identified what—is this his term, “construction stiffs”?

Did you interject this term?

Mr. MATHEWS. Somebody else did that.

Senator MUNDT. It is the name of the paper they put out.

Senator McNAMARA. I want to ask the witness.

Did you use the term of “construction stiffs”?

Mr. MATHEWS. No, sir.

Senator McNAMARA. Where did it come from?

Mr. MATHEWS. From some testimony a couple of days ago.

Senator McNAMARA. You seemed to enter into a discussion of “construction stiffs.” Do you have an interpretation of what this means? What does it mean to you?

Mr. MATHEWS. It doesn't mean anything to me. It just means that there is a letter going around ever so often, taking on all of the officers, any of them, all of us.

Senator McNAMARA. When the \$10,000 was voted by the union, what was the purpose of the money?

Mr. MATHEWS. To find out who was circulating this—they called it scurrilous literature, I believe.

Senator McNAMARA. And it was scurrilous as it applied to the officers of the union?

Mr. MATHEWS. It applied to the union as well as the officers.

Senator McNAMARA. To the membership as well as the officers?

Mr. MATHEWS. I don't know. I don't have it with me. I have read it, but I paid very little attention to it.

Senator McNAMARA. When you went out investigating, you were trying to investigate the source of the letters that were being circulated?

Mr. MATHEWS. That is right.

Senator McNAMARA. Did the union construe that there were charges in this letter that were unfounded and untrue?

Mr. MATHEWS. Yes; at that time.

Senator McNAMARA. And that is why they advanced the money, in your estimation?

Mr. MATHEWS. I think so; in my estimation, anyway.

The CHAIRMAN. Senator, the "construction stiffs" were self-styled people who were sending out the literature. They designated themselves "construction stiffs." That is how "construction stiffs" originated. It was not with the committee.

Senator McNAMARA. I did not charge it to the committee members.

The CHAIRMAN. No, I understand. I was trying to give you the information you were seeking.

Thank you.

Call the next witness.

Mr. KENNEDY. Mr. Ed Doran.

The CHAIRMAN. You solemnly swear that the evidence you shall give before this Senate select committee shall be the truth, the whole truth and nothing but the truth, so help you God?

Mr. DORAN. I do.

TESTIMONY OF ED DORAN

The CHAIRMAN. State your name, your place of residence, and business or occupation.

Mr. DORAN. My name is Ed Doran. I live at 1801 West Monterey Avenue, Stockton, Calif.

At the present time, I am in the air tool rental business in Stockton.

The CHAIRMAN. Air tool rental?

Mr. DORAN. Yes, sir.

The CHAIRMAN. Mr. Doran, do you waive counsel?

Mr. DORAN. Yes, sir.

The CHAIRMAN. How long have you been in this business, your present business, Mr. Doran?

Mr. DORAN. Well, I haven't rented anything, I haven't even been located. I am working out of my home. I hope to get a building there.

When this hearing is over, I am going back to Stockton to see if I get my building up. I have a little equipment bought.

The CHAIRMAN. Anyway, this is a new project?

Mr. DORAN. This is; yes, sir.

The CHAIRMAN. It is a new enterprise?

Mr. DORAN. Yes, sir.

The CHAIRMAN. What was your former position with the union?

Mr. DORAN. Prior to June of last year, I was a business representative in the Stockton area.

The CHAIRMAN. For the local No. 3?

Mr. DORAN. Yes, sir.

The CHAIRMAN. How long did you work in that capacity?

Mr. DORAN. Well, in Stockton from the latter part of April 1944, to July 1957.

The CHAIRMAN. Some 13 years, 12 or 13 years?

Mr. DORAN. Yes, sir.

The CHAIRMAN. And when did you terminate your position with the union?

Mr. DORAN. I did not terminate it, Mr. Chairman. I was terminated.

The CHAIRMAN. When was it terminated?

Mr. DORAN. On July 1, 1957.

The CHAIRMAN. July 1, 1957?

Mr. DORAN. Yes, sir.

The CHAIRMAN. Thank you very much.

Senator McNAMARA. By way of background, may I ask a question?

The CHAIRMAN. Yes.

Senator McNAMARA. Were you ever an operating engineer?

Mr. DORAN. Yes, sir. I took this job, if you please—I was working on a civil-service job as a heavy-equipment operator for the United States Corps of Engineers on fortifications out of San Francisco, Calif.

Senator McNAMARA. When?

Mr. DORAN. I was working on fortifications.

Senator McNAMARA. I understand. What year was this?

Mr. DORAN. 1941.

I resigned from the Corps of Engineers to take this job as a business representative for local No. 3.

Senator McNAMARA. But you were actually an operating engineer?

Mr. DORAN. Yes, sir; and I was the first off the civil-service list to go to work on fortifications in San Francisco. I had calluses on my hands, if you please, that were cracked.

Senator McNAMARA. From what? Pulling the levers?

Mr. DORAN. Yes, sir.

Mr. KENNEDY. You have been ill, have you?

Mr. DORAN. Yes, sir. Since April of 1956 I have been suffering from a heart attack.

Incidentally, I am here against my doctor's orders.

The CHAIRMAN. The committee will take into account your physical condition and be as tolerant of it as we can.

Mr. DORAN. Thank you, Mr. Chairman.

The CHAIRMAN. Proceed.

Mr. KENNEDY. Mr. Doran, do you know Mr. Victor Swanson?

Mr. DORAN. Yes, sir; very well.

Mr. KENNEDY. You worked with him in the union?

Mr. DORAN. Yes, sir.

Mr. KENNEDY. And you know all of the other union officials who have testified in this hearing?

Mr. DORAN. Yes, sir.

Mr. KENNEDY. We have had some testimony regarding a land purchase by the Operating Engineers Union in Stockton, Calif.

Mr. DORAN. Yes, sir.

Mr. KENNEDY. And the testimony before the committee is that the land was purchased in 1955; that the union paid for the land some \$33,500, when, in fact, the land only cost \$29,500; and that the difference of \$4,000 went to you.

Did you receive that money, that \$4,000?

Mr. DORAN. Yes, sir.

Mr. KENNEDY. You did receive the money?

Mr. DORAN. Yes, sir.

Mr. KENNEDY. Would you explain that to the committee?

Mr. DORAN. Yes.

Well, should I start from the time of this transaction? In my own words, I would like to do it.

Mr. KENNEDY. I think that would be fine.

Mr. DORAN. My memory is not too good. If you will bear with me, I will try to be as truthful as I can.

On this particular piece of property that you have on the chart, 1, 2, and 3, it is 6.39 acres. On the 3 and a portion of 2 there was a

trailer court during the war, and it was a jerry-built thing. It was condemned by the county and by the State in, I believe it was, 1954, the latter part of 1954.

A block north of parcel No. 3 is Monterey Avenue. That is the street I live on. I drive down every morning, and have for 13½ or 14 years, down that street and pass this parcel of land.

I read in the paper that this parcel of land was going to be condemned by the State and the county because they would not comply with the rules of the State applying to trailer courts. I inquired around and found out that it would be possible to buy this place.

I called San Francisco. Mathews and Clancy came to Stockton. We drove on the property. We did not stop in the street, we drove right up on the property. We looked the property over, talked it over, and I said that I thought that I could get it for \$33,500.

Then several days later there was a committee meeting. It was a committee of members of the American Legion post, in Stockton.

Mr. KENNEDY. Who owned the property?

Mr. DORAN. Who owned the property?

Mr. KENNEDY. They owned it themselves is what I mean.

Mr. DORAN. They owned it; yes, sir. They decided at this meeting that they would have two appraisers go out there and we would take between two appraisers. The 2 appraisers came within \$500. It was \$29,500.

Then I called San Francisco, and I tried to get ahold of Swanson. Swanson was not there, so I got ahold of the then assistant manager, P. E. Vandewark. I told him I could get it for \$29,500. He said, "Well, let it go through for the \$33,500."

I went down then and put it in escrow.

I think you have letters from Mathews saying that he should authorize me, and under certain conditions I should go down to the title company and be sure on this thing. It was a cemetery. There were 4,000 graves. It was a pauper's graveyard for the State hospital many, many years ago. I want you to understand that.

Senator MUNDT. Which was the paupers' field?

Mr. DORAN. It was behind it, east of 1, 2, or 3, on that map. We will say that the bottom side is California Street and the top side is east. There were 4,000 graves over a distance of 190 feet depth, clear across that.

When we bought the property, it was in the county of San Joaquin, and zoned residential. At the time it could not be zoned in any other way, so it was up to me.

I was instructed to go out and try to get this thing rezoned so that we could put a building on that property. Then a real-estate man came along. I didn't go hustling the land sale.

Mr. KENNEDY. Have you finished telling about the \$35,000?

Mr. DORAN. I think so.

Mr. KENNEDY. I want to ask a question.

You say that Vandewark was the one that had the idea of letting it go through with the \$33,500?

Mr. DORAN. Yes, sir.

Mr. KENNEDY. That was not your idea?

Mr. DORAN. No, sir.

Mr. KENNEDY. Who made the arrangements that the American Legion post would sell it to a dummy and then the Operating Engineers would buy it from the dummy?

Mr. DORAN. I did, sir.

Mr. KENNEDY. You made those arrangements?

Mr. DORAN. Yes, sir.

Mr. KENNEDY. The fellow was who?

Mr. DORAN. A fellow by the name of Ray Stivers.

Mr. KENNEDY. He was a friend of yours?

Mr. DORAN. He was a neighbor of mine, a next-door neighbor.

Mr. KENNEDY. And you arranged for the American Legion to sell it to him for \$29,500?

Mr. DORAN. That is true.

Mr. KENNEDY. And on the same day, the Operating Engineers bought from this dummy the same piece of property for \$33,500?

Mr. DORAN. Yes.

Mr. KENNEDY. And the difference between the \$29,500 and \$33,500 went in a check to you, the \$4,000?

Mr. DORAN. Yes, sir.

Mr. KENNEDY. Here is the check. Did you receive that check?

Mr. DORAN. Yes.

The CHAIRMAN. This check is exhibit No. 4 in the record. It is dated March 21, 1955, in the amount of \$4,000. Would you examine that exhibit and state if that is a photostatic copy of the check to which you referred?

(The document handed to the witness.)

Mr. DORAN. Yes, sir.

Mr. KENNEDY. What did you do with the \$4,000?

Mr. DORAN. The first thing that I did after receiving that \$4,000 was go to the internal-revenue people in Stockton. That is their office there in Stockton, on Eldorado Street. I talked to the people at the counter. They have a counter there to help people with income tax, and I told them about this check. They asked me how much I had invested, and I told them not one 10-cent piece. They told me how much income I owed on that, which was \$831, if my memory serves me correctly. Then I took it to the accountant and he made out the form and I sent it in to the internal-revenue people.

Mr. KENNEDY. For \$831?

Mr. DORAN. I believe it was \$831.

Mr. KENNEDY. What did you do with the rest of the \$4,000?

Mr. DORAN. The accountant told me how much I would owe for the State income tax. I held that out and I took that to San Francisco and gave it to Vandewark.

Mr. KENNEDY. You gave the rest of the money to Vandewark?

Mr. DORAN. Yes, sir.

Mr. KENNEDY. You didn't keep any of that money?

Mr. DORAN. No, sir.

Mr. KENNEDY. You didn't keep any of that money yourself?

Mr. DORAN. No, sir.

Mr. KENNEDY. Did you get any of that later?

Mr. DORAN. Yes, sir. Later on I got \$500.

The CHAIRMAN. Was that in cash?

Mr. DORAN. Yes, sir.

Mr. KENNEDY. So you paid the taxes of some \$800 on this and then you got \$500 that you kept for yourself?

Mr. DORAN. That is right.

Mr. KENNEDY. All the rest of the money went to Vandewark?

Mr. DORAN. That is right.

Mr. KENNEDY. Was anyone present when you gave the money to Vandewark?

Mr. DORAN. This was in Vic Swanson's office. From Vandewark's office you have to go across a bridge to get into Swanson's office. I was in there and then Vic came in. I had just handed him the envelope when Swanson walked in. I told Swanson that Vandewark had gotten the money.

Mr. KENNEDY. So the three of you were present at the time?

Mr. DORAN. That is right.

Mr. KENNEDY. And all three of you were aware of this deal, Swanson being aware of it as well as you and Vandewark?

Mr. DORAN. I believe so.

Mr. KENNEDY. Well, you told him, you said.

Mr. DORAN. Yes.

Mr. KENNEDY. Was Mathews aware of it? Had you discussed this with Mathews?

Mr. DORAN. I didn't talk to Mathews about this at all.

Mr. KENNEDY. So he was not aware of it?

Mr. DORAN. No.

Mr. KENNEDY. So then you went back to Stockton?

Mr. DORAN. Yes, sir.

Mr. KENNEDY. Now start telling us about what happened after that.

Senator McNAMARA. Before you leave that, I have a question.

From the colloquy you just had with the chief counsel, it appears that this \$33,500 originated with Vandewark, but, as a matter of fact, you suggested this was a price that the property could be purchased at, is that not so?

Mr. DORAN. Yes.

Senator McNAMARA. Then this \$33,500 figure was your figure, not Vandewark's figure?

Mr. DORAN. No. It was information that I had gathered from members of the Karl Ross Post committee.

Senator McNAMARA. But you brought this figure to the union. You said you thought the property could be purchased for that?

Mr. DORAN. Yes.

Senator McNAMARA. As far as this problem is concerned here, you originated it?

Mr. DORAN. Yes, that is right.

Senator McNAMARA. All right.

Mr. KENNEDY. Now tell us about what happened to the various parcels of land.

Mr. DORAN. Then a real-estate man came along and said "Here, do you want to sell this parcel No. 3?"

Mr. KENNEDY. Wait a minute.

Mr. DORAN. I am trying to tell you how it happened. He wanted parcel 3. Parcel 1 had a big slough through it, and on this side of No. 1 was a hole in the ground that it took a contractor about 2 weeks to fill up with dirt.

I said "Well, if you want this property," they only wanted half of the property, "you will have to take between this street and the center of this street, and take it all."

They suggested the price. They suggested a price. Whether I called San Francisco to find out whether it would be for sale or not, I don't know, or whether this real-estate man did.

Mr. KENNEDY. That is parcel No. 1, is that right?

Mr. DORAN. Yes.

Mr. KENNEDY. And they offered \$20,000 for it?

Mr. DORAN. \$20,000.

Mr. KENNEDY. Actually, the union sold the property for \$8,500?

Mr. DORAN. Yes.

Mr. KENNEDY. And Mr. Doran received the difference?

Mr. DORAN. Yes, sir.

Mr. KENNEDY. Tell us how that was worked out.

Mr. DORAN. Well, the difference was——

Mr. KENNEDY. When did you decide that you were going to handle it this way in order to make this money personally?

Mr. DORAN. Well, it was shortly after the real-estate man came in there and suggested that his client would offer \$20,000 for this thing.

Mr. KENNEDY. Then who did you arrange with in the union to sell it for \$8,500?

Mr. DORAN. I talked to Vic Swanson, and he said that he would talk to the officers and that he would let me know.

In a couple of days, I think by phone——

Mr. KENNEDY. So it was decided between you and Swanson to sell it for \$8,500?

Mr. DORAN. I think the other officers of the union, too.

Mr. KENNEDY. But as far as you know, it was just you and Swanson?

Mr. DORAN. That is right.

Mr. KENNEDY. So you sold it. The property was then sold to the same dummy, Stivers, for \$8,500?

Mr. DORAN. That is right.

Mr. KENNEDY. And on the same day, Stivers resold the property for \$20,000, and you received the difference between the \$8,500 and the \$20,000, plus costs.

Mr. DORAN. Well, we are about 6 months ahead of ourselves on this, Mr. Kennedy. That is how it worked out, though.

Mr. KENNEDY. That is what we are interested in. You got a check for \$9,884.76, dated January 3, 1956?

Mr. DORAN. That is right.

Mr. KENNEDY. That shows your endorsement on the back?

Mr. DORAN. That is right.

Mr. KENNEDY. What did you do with that money?

Mr. DORAN. That check I cashed. I went to the internal revenue people.

Mr. KENNEDY. Again?

Mr. DORAN. Again. They told me that I owed \$1,850 on the same kind of a proposition as this other. I paid the income tax on it and took the money down and gave it to Victor Swanson.

Mr. KENNEDY. That was about \$7,000 that was left?

Mr. DORAN. I wouldn't know. I never took the trouble to figure it out.

Mr. KENNEDY. Well, it was \$9,800 less \$1,800, so it is approximately \$8,000. Did you turn that over to Victor Swanson?

Mr. DORAN. Yes.

Mr. KENNEDY. Did you get any money out of that?

Mr. DORAN. Yes.

Mr. KENNEDY. How much money did you receive?

Mr. DORAN. \$800.

Mr. KENNEDY. How much?

Mr. DORAN. \$800.

Mr. KENNEDY. He gave you \$800 back?

Mr. DORAN. Yes.

Mr. KENNEDY. You only got \$800 out of that whole transaction?

Mr. DORAN. Yes.

Mr. KENNEDY. Did you demand more than that?

Mr. DORAN. No. I am a peaceful citizen. I am just going along with this thing.

Senator MUNDT. In the first transaction, you told us in addition to taking some of the cash to the internal revenue fellow, and paying him off, you also took some money up to San Francisco to pay a State of California income tax, I think you said.

Mr. DORAN. No, I didn't say that. I said I held out that much. You don't owe the State taxes there until a certain time.

Senator MUNDT. You didn't say anything about the State income tax on the second transaction. I wondered what happened to that.

Mr. DORAN. It was paid.

Senator MUNDT. Out of the union funds? I am not questioning that it was paid, but you did not follow the same procedure that you followed the first time. The first time, as I understand it, you withheld from the money that you gave to the union enough to pay the State income tax.

Mr. DORAN. It might have been that I did. You will find that the taxes were paid. Whether I did or didn't, I can't recall.

Senator MUNDT. Was it paid on the \$12,000 or on the \$800?

Mr. DORAN. I paid it on the total amount, nine-thousand-nine-hundred-and-some dollars.

Senator MUNDT. You paid it on the \$9,000?

Mr. DORAN. Yes.

Senator MUNDT. Presumably, then, I suppose, it was before you took the money to Swanson?

Mr. DORAN. Certainly. I held it out.

Mr. KENNEDY. You made \$800 on that and \$500 on the original deal. What about parcel No. 2?

Mr. DORAN. On parcel No. 2, another real-estate man came along, Jack Kane. He is a broker in Stockton. He came along and offered \$100 a front foot for that property, which amounts to \$24,900, if my figures are right.

Again I called the San Francisco office, and again they told me to sell it under the same conditions. I am talking about Vic Swanson, now. He told me to sell it under the same conditions.

Mr. KENNEDY. How did you decide at what price you would sell that property? How did you decide what profit you wanted to make on it?

Mr. DORAN. Well, they wanted to sell it for more than they bought it for. They wanted to make a profit on it.

Mr. KENNEDY. So that the union would appear to be making a profit?

Mr. DORAN. That is true.

Mr. KENNEDY. You set up the dummy again, the same way as you did before?

Mr. DORAN. Yes.

Mr. KENNEDY. And the union sold it to the dummy for \$10,858, and on the same day, the dummy sold it for \$24,000, and after various costs, you, Mr. Doran, received \$12,071 on that second deal?

Mr. DORAN. Yes, sir.

Mr. KENNEDY. What did you do with that \$12,071, which you received on July 11, 1955, in a check?

Mr. DORAN. Again I took it to the internal revenue people and asked them what I owed on that transaction. Then I took the check in and——

Mr. KENNEDY. How much was owed on that?

Mr. DORAN. \$3,950. Then I took the check in and gave it to Victor Swanson.

Mr. KENNEDY. What? The difference?

Mr. DORAN. No, just the whole check. I gave him the whole check.

Mr. KENNEDY. How much money did he give you back? The endorsements on the back show it to be endorsed by Ed Doran and Victor Swanson.

Mr. DORAN. Yes, but he didn't give me any money at that time. If you want me to proceed, I will try to get this straightened out as best I can. I gave him the check, and then a day or two later I received a check for \$3,950.

It was a cashier's check.

Mr. KENNEDY. That was to pay the tax?

Mr. DORAN. Yes. I took it to my account and then I sent it to the internal revenue people.

The CHAIRMAN. I present you what purports to be a photostatic copy of the check for \$3,950, to which you just referred. Will you please examine it and identify it?

(The document was handed to the witness.)

Mr. DORAN. Yes. That is possibly it. My signature is on there and so are the internal revenue people.

The CHAIRMAN. That check will be made exhibit 64.

(The document referred to was marked "Exhibit No. 64" for reference and will be found in the appendix on p. 7903.)

Mr. KENNEDY. Did you receive any other money other than this check?

Mr. DORAN. Yes. Possibly a week or 10 days later I was in San Francisco, and I received either \$1,200 or \$1,250. I am not sure.

Mr. KENNEDY. In cash?

Mr. DORAN. Yes.

Mr. KENNEDY. From whom did you receive that?

Mr. DORAN. Vic Swanson.

Mr. KENNEDY. So he got the check for the \$12,000 and he gave you the \$3,900 to pay the taxes, plus \$1,200 in cash at a later time?

Mr. DORAN. That is right.

Mr. KENNEDY. Do you know what he did with the rest of the money?

Mr. DORAN. I understand that he divided it up among the officers of the union. I have no proof of that.

Mr. KENNEDY. That is what he said?

Mr. DORAN. Yes.

Mr. KENNEDY. Mr. Chairman, we traced that check down to some extent. Mr. Salinger can testify on that second parcel, No. 2, as to what happened with the money. I think it would be helpful.

The CHAIRMAN. Come forward, Mr. Salinger.

TESTIMONY OF PIERRE S. SALINGER—Resumed

Mr. KENNEDY. Mr. Salinger, you traced the check of \$12,071, which was indorsed by Mr. Doran and then by Victor Swanson, have you not.

Mr. SALINGER. Yes.

Mr. KENNEDY. Would you tell the committee how that check was used? What was purchased with that check?

Mr. SALINGER. The check was taken to the Mission savings office of the American Trust Co. in San Francisco, where it went for the purchase of three cashier's checks, plus a delivery of cash in the amount of \$1,600.

Copies of the purchase orders for these cashier's checks show they were purchased by V. S. Swanson. The first, which has been made an exhibit here, exhibit 17, is payable to the order of Pat Clancy, president of local 3, in the amount of \$800. The second one, which has been made committee exhibit 84, was made payable to the order of Ed Doran, and shows to have been endorsed to the district director of internal revenue, by Mr. Doran.

The third check in the amount of \$5,721 was made payable to the order of V. S. Swanson. It shows to have been cashed by V. S. Swanson. As I say, the remaining \$1,600 was given in cash to whoever took the check in.

Mr. KENNEDY. But it shows that out of that sum of money, Mr. Pat Clancy received a cashier's check for \$800; is that right?

Mr. SALINGER. That is correct.

Mr. KENNEDY. And the \$3,900 that this witness testified to went to the Internal Revenue Service to pay the taxes on the \$12,000?

Mr. SALINGER. The check he referred to came out of the \$12,071.

Mr. KENNEDY. And Mr. Swanson got another check for how much?

Mr. SALINGER. \$5,721.

Mr. KENNEDY. Which he ultimately cashed?

Mr. SALINGER. Yes.

Mr. KENNEDY. As well as \$1,600 in cash?

Mr. SALINGER. As well as \$1,600 in cash; that is right.

The CHAIRMAN. That check has not been made an exhibit?

Mr. SALINGER. The check and the three purchase orders have not been made exhibits.

The CHAIRMAN. The purchase orders may be made exhibits 65, 65A, and 65B, the check will be made exhibit 66.

(The documents referred to were marked "Exhibits Nos. 65 and 66" and will be found in the appendix on p. 7904-7907.)

TESTIMONY OF ED DORAN—Resumed

Senator McNAMARA. On the basis of the information just presented to the committee, would you assume the \$800 paid to Mr. Clancy was for his share of this cutup?

Mr. DORAN. I think it would be. That is just my opinion, though.

The CHAIRMAN. That was the whole purpose of it—to divide it up, wasn't it?

Mr. DORAN. I think so.

The CHAIRMAN. That was your understanding?

Mr. DORAN. That is right.

The CHAIRMAN. Proceed.

Mr. KENNEDY. Now we go to parcel No. 3. Would you tell us what happened to parcel No. 3?

Mr. DORAN. Parcel No. 3—could I get this thing so I can tell you why parcel No. 3 was for sale?

Just a few days before this other was put into escrow, they bought another piece of property in Stockton, called the Kenworthy property, that amounted to 3.96 acres. They bought that to put a building on. Then the officers—and I say Vandewark and possibly Mathews, though I am not saying for sure—I believe they asked me to peddle this other piece of property; to get rid of it. How much they wanted for it was a little more than they paid for it. Then I put the thing in escrow, and I was going to buy it myself. I was going to buy that piece of property myself, but I could not raise the money. I called Vic Swanson on the phone. I said, "Vic, do you want to go in with this?" And he said, "Sure."

We went in and bought this property. I took it down to the Stockton Abstract & Title Co. I put up the money and it went through escrow. The union got their money, I got the deed to the place, and it laid that way for many months.

After I acquired it, and even before I acquired this place, I was going to develop that into a trailer court. It had been a trailer court before, and there was no building there.

After we bought the place, they had started building. I had the thing engineered, I had architects work on it, I had perspective drawings worked on it, had the city engineer give me estimates on water-lines, I had the engineers go out and tell me how big the lines were that they wanted. Then I went to the convention in Chicago, and on the way home I had a heart attack and stayed in the hospital in Reno for a month. When I got home, I got pneumonia on top of that and went to the hospital for another week. Then I laid around home for almost a year.

In the meantime, I was working—part of the time I was going to work. If you could have seen the trap that we had to do business in there, there were six people working in a place about as big as that desk that you have there, and it was always the idea that we would get a new building there, even if it was just for the engineers. We owned the Labor Temple in Stockton. So Mathews and Swanson and Marshall Swanson came to Stockton to find out about remodeling the old building to give us a decent place to do business in.

After looking the place over for several hours, they decided that it would cost around \$300,000 to repair and remodel this old building. So they went over to this Kenworthy property. They stood around

there for maybe a half hour, and they decided then that that wasn't the place for the building. Then one of them, I don't know who it was, says, "Well, can we get that other property back again?"

I said, "Well, that is possible. We will go over there."

We went to the other property, and we stood there. Mathews had been on the property before. If he didn't know he should have known that it was the same property that I owned. I have the deed in my pocket he signed, the original deed. There was the United States Construction Co. that had made an offer of \$35,000 for that piece of property. There was a fellow named Clarence Kent and he made an offer of \$100 a square foot, or \$31,200. I had both of those offers at the same time.

I said to Mathews at the time, "You can get this place for \$35,000."

He says, "We will let you know."

About 5 days later I got a phone call and they said, "Put it in escrow." I put it in escrow and got Stivers to do the business.

If you want to know why I wanted Stivers—and he is going to resent you calling him a dummy, too—I can explain why I had him do this business, if you want to know why.

Mr. KENNEDY. I would like to know why.

Mr. DORAN. When I first moved to Stockton, I built a boat. I made it myself.

The CHAIRMAN. That is not the one the union bought?

Mr. DORAN. No, sir. I know nothing about the boat.

The CHAIRMAN. I did not want to get confused.

Mr. DORAN. I had no garage in my house, and it was during the war. So I put an ad in the paper: "Boat for sale." A fellow called me up and he said, "Say, I got a lot. I will trade it even up for your boat."

Mr. KENNEDY. I do not think we have to go through the whole story of your relationship with Mr. Stivers.

Mr. DORAN. Mr. Stivers had nothing to do with this, Mr. Counsel.

Mr. KENNEDY. I understand that, but all we are trying to find out is, for instance, on this last transaction, if there was nothing to hide, why did you put it through a dummy again? Why didn't you sell it outright?

Mr. DORAN. That is a question I cannot answer. He has handled every transaction.

Mr. KENNEDY. But what you did on this transaction was to deed the property once again to Stivers on one day, and on the same day he sold it to the union for \$35,000. If there wasn't anything peculiar or unusual about this transaction, why didn't you just sell the property to the union for \$35,000?

Mr. DORAN. That is a question I am unable to answer, Mr. Counsel.

Mr. KENNEDY. It has all the appearances, as well as all the other transactions in which you were involved, the appearances and characteristics of somebody trying to hide the transaction.

Mr. DORAN. I surely wasn't trying to hide anything.

Mr. KENNEDY. You were trying to hide parcels 1 and 2 in the original transaction, or you wouldn't have gone through the dummy. You couldn't have gotten your \$12,000 out on one occasion and your \$9,000 on the other occasion if you had not gone through the dummy.

Mr. DORAN. That is true. But I probably got in the habit of going through the dummy and this thing came the same way.

Mr. KENNEDY. You couldn't have gotten your \$4,000 out originally if you had not gone through the dummy.

Mr. DORAN. That is right.

Mr. KENNEDY. When you do it the fourth time, certainly we must reach the conclusion that you were trying to hide that transaction also.

Mr. DORAN. I never tried to hide that transaction.

Mr. KENNEDY. You only tried to hide the first three?

Mr. DORAN. Yes, sir.

Mr. KENNEDY. And you had gotten in the habit and hid the fourth, too.

Mr. DORAN. My neighbor was a real-estate man and I wanted him to have the business.

Senator MUNDT. What did Stivers get out of the last transaction?

Mr. DORAN. \$1,000; his fee.

Senator MUNDT. He hadn't actually entered into the transaction at all, as I understand it, but was standing out there on the lot and Mathews said "We might want to buy it," and you said, "Well, I will sell it to you for \$35,000"?

Mr. DORAN. No, this was later that we talked to him, 4, 5, or 6 days.

Senator MUNDT. That you talked to who?

Mr. DORAN. Stivers.

Senator MUNDT. How did he get into the picture? You said you called him and asked him to put it in escrow?

Mr. DORAN. I asked him to do that.

Senator MUNDT. Why should he get \$1,000?

Mr. DORAN. That is a question I am not going to attempt to answer. I was under the impression that a real-estate broker is necessary in all real-estate transactions.

Senator MUNDT. Really what he got was \$1,000 for the use of his name as a temporary owner of the property; is that right?

Mr. DORAN. That is right.

Senator MUNDT. He didn't help negotiate the deal. The deal could have been made without him?

Mr. DORAN. He did all the paperwork through the title company.

Senator MUNDT. He did the paperwork. He also used the Stockton Title Co. for that?

Mr. DORAN. Yes.

Senator MUNDT. How much did they get?

Mr. DORAN. I don't know. I don't have those records. It was not too much?

Senator MUNDT. Did you pay them?

Mr. DORAN. I paid them on my transaction, yes, \$138, I believe, and that included all the work that they did, including title insurance, which is a set fee, I believe.

Senator MUNDT. You just as well could have handled the whole thing through the Stockton Title Co., couldn't you?

Mr. DORAN. I have learned since then that you don't have a real-estate broker. You just go in to the title company and they do all the work for you.

Senator MUNDT. You didn't know that?

Mr. DORAN. I didn't know that, no.

Senator McNAMARA. I understand from your testimony that during this period that you had the heart attack and then had pneumonia, that you held the title to parcel No. 3?

Mr. DORAN. Yes, I believe so. We bought the property in February, I believe, of 1956, and I had the heart attack on April 24, 1956.

Senator McNAMARA. You say "We bought the property" Who is "we"?

Mr. DORAN. Vic Swanson and myself.

Senator McNAMARA. You bought it from who?

Mr. DORAN. The Operating Engineers Union.

Senator McNAMARA. The Union sold it to you?

Mr. DORAN. Yes.

Senator McNAMARA. And you held the title during this period of time?

Mr. DORAN. Yes.

Senator McNAMARA. You bought it with the idea of putting in a trailer court?

Mr. DORAN. Yes, sir.

Senator McNAMARA. Then subsequently the United States Construction Co.—Is that the outfit?

Mr. DORAN. United States Construction Co.

Senator McNAMARA. They were what, private home developers?

Mr. DORAN. No. I believe he was a hospital developer, and he dealt in office buildings and things like that. I think they are out of Denver. I am not sure.

Senator McNAMARA. Did they make you an offer of \$35,000 for this property?

Mr. DORAN. Yes, sir.

Senator McNAMARA. Can you show evidence that they made such offer?

Mr. DORAN. Yes. I think the committee has the offer that they received through some source. I have the original letter.

Senator McNAMARA. I am advised that the committee has evidence that the United States Construction Co. offered \$35,000 for the property. Then in view of that, when the committee asked you the question of why did you sell it to the union, why didn't you sell it to the United States Construction Co.? It was the same figure, wasn't it?

Mr. DORAN. If the union had decided not to take that, they would have gotten it, and there would have been a big hospital on it. Now they put a little hospital next door at parcel 2 on your chart. There is a hospital there. If they had acquired parcel 3, there would have been a large hospital.

Senator McNAMARA. That is all.

Senator MUNDT. What happened to the property in that short a time to increase its value about 100 percent?

Mr. DORAN. That thing there, when we got it—remember, it was a cemetery, and it was a weed patch. It was in the county. It was a hog district where they raised hogs. That is what they told me at the planning commission, that I could raise hogs out there, if we acquired that land.

Senator MUNDT. What happened to the land that increased its value?

Mr. DORAN. We went to the planning commission, and we applied for rezoning on the thing. We got the thing rezoned into a C-2

district. Then we had it annexed to the city of Stockton. There were many things. I spent many, many nights on that property.

Senator MUNDT. When you are using the proper noun "we," you are talking about the union?

Mr. DORAN. I am talking about the attorney and myself.

Senator MUNDT. Representing the union?

Mr. DORAN. Yes.

Senator MUNDT. While the union went through a transformation of the zoning area, it was a cemetery, wasn't it? Did you remove the graves?

Mr. DORAN. They did not remove the graves until 1956, the last part. They had to have enabling laws in the State of California.

Senator MUNDT. Who removed the graves?

Mr. DORAN. The Carl Ross Post moved them, and they made a common grave in the corner. They took a trenching machine out there, and they dug these graves up. They had people catching the bones. Then they took them back of parcel No. 1 and buried them in a common grave and put a fence around it. There those bones are today.

The CHAIRMAN. What difference does it make in principle if the tract of land that belonged to the union was a beautiful park site, the top of a high mountain, or a hog wallow, what difference in principle does it make if it belonged to the union and was bought by union funds, for union officers to speculate on it to their own profit to the disadvantage of the union members who own it? What is the difference in principle?

Mr. DORAN. There is no difference in principle, but I am not a union officer, Mr. Chairman.

The CHAIRMAN. You were at that time, weren't you?

Mr. DORAN. No.

The CHAIRMAN. Well, you were in with the union officers and conspired with them.

Mr. DORAN. I was following instructions, Mr. Chairman. That is all I was doing.

Mr. KENNEDY. Mr. Doran, you were doing a little bit more than that.

Mr. DORAN. Oh, sure.

Mr. KENNEDY. If you were not an official officer, you had a semi-official position. You were a business agent.

Mr. DORAN. I was a member of the executive board, too.

Mr. KENNEDY. You had a position of some authority.

Mr. DORAN. That is true.

Mr. KENNEDY. As I understand it, on plot No. 2—how much was that actually sold for per square foot or a front foot?

Mr. DORAN. \$100.

Mr. KENNEDY. How much did you buy plot No. 3 from the union for?

Mr. DORAN. \$42.

Mr. KENNEDY. The property might have been worth \$35,000 when you ultimately sold it back to the union, but certainly it was worth far more than \$15,000 when you bought it from the union.

Mr. DORAN. That is true. I didn't sell the property. I only bought it.

Mr. KENNEDY. You bought the property, and you bought it with Mr. Victor Swanson, and you both were officials of the union.

Mr. DORAN. Yes.

Senator MUNDT. You bought, but you bought from yourselves; is that right? There is no question but what you bought, but you really bought it from yourselves if you were on the executive committee and passed on the motion yourselves.

I think the counsel makes a good point. If you were offered \$35,000 from the outside, there is no reason why you should have sold it to the union for \$35,000; that would certainly sound like an arm's length transaction, but on the original sale, you sold it to yourselves, and you sold it to yourselves at a kind of bargain price; did you not?

Mr. DORAN. That is true. I am not denying the fact. I am not denying the fact that if I had it to do over again, the union would not have bought that property. I don't enjoy being here. The union would not have bought it back from me, I can tell you that for sure.

Senator MUNDT. I do not think it improper practice, if you can call it that, was to sell it back to the union. I don't think it makes any difference who you sold it to, if \$35,000 as established in the records, was a fair price. But as the counsel points out, the improper practice was for you fellows to sell it to yourselves at about 50 percent per front foot of what the adjacent property had been sold for.

Do you agree?

Mr. DORAN. Yes, I agree.

The CHAIRMAN. I do not believe we can get through with this witness before lunch, unless we have a very late lunch.

The committee will stand in recess until 2:30.

(Whereupon, at 12:30 p. m. the committee was recessed, to reconvene at 2:30 p. m. the same day.)

AFTERNOON SESSION

The CHAIRMAN. The committee will be in order.

(Members of the select committee present at time of reconvening: Senators McClelland, Goldwater, and Curtis.)

The CHAIRMAN. We will proceed.

TESTIMONY OF ED DORAN—Resumed

Mr. KENNEDY. I think you have gone through all of the facts as related to the property in Stockton, have you, Mr. Doran?

Mr. DORAN. I believe so.

Mr. KENNEDY. Have you been involved in any other similar transactions such as this where you made some money on the side in deals with the union?

Mr. DORAN. No; I could have been, but I was fired probably before this thing got too far into the making.

Mr. KENNEDY. Was there another land deal that was contemplated?

Mr. DORAN. Yes.

Mr. KENNEDY. Similar to the Stockton one?

Mr. DORAN. Yes, sir.

Mr. KENNEDY. Where was that piece of land?

Mr. DORAN. In Stockton.

Mr. KENNEDY. What is that called?

Mr. DORAN. Kenworthy property.

Mr. KENNEDY. Would you tell us what you contemplated doing in regard to the Kenworthy property?

Mr. DORAN. Well, if I may, I can start to tell you how the thing started. A real-estate agent called me and told me that an outdoor theater chain wanted to buy that property, and they were willing to pay \$400 a month for 10 years, I believe, and at the end of 10 years they would have an option to buy for \$40,000.

Now, on this property, I took that proposition in to San Francisco and I talked it over with the officials of the union. There was nothing done about it at the time, and later I had a conversation with Porter Vandewark regarding this property. He asked me if it would be possible for the officers and myself to purchase this property for the amount of money that the union had paid for it. That was all that was said about that at that time.

Then later on at the cabin, you know about the cabin in Alvarez County, I have 1 up there about 2 doors from that cabin down the stream from the 1 that the union owns, and Vandewark and his family were there on their vacation.

I met Vandewark there at the cabin, on the steps of the union cabin. He told me at the time that there must be an easier way to acquire that property, because Mathews nor Clancy could raise that amount of money, and that it may be possible that we could on paper buy the thing from the union and then sell the property and then repay the union.

Mr. KENNEDY. Who suggested this to you?

Mr. DORAN. Vandewark.

Mr. KENNEDY. Was anyone else present?

Mr. DORAN. No.

Mr. KENNEDY. So you were going to sell the property or set up a corporation?

Mr. DORAN. I don't know whether you would call it a corporation, Mr. Counsel.

Mr. KENNEDY. It was an intermediary?

Mr. DORAN. Yes; and we were all going to put in a certain amount of money and buy the property, and then resell it.

Mr. KENNEDY. You were going to buy it for how much?

Mr. DORAN. \$30,000. That is what they paid for it and I assume that that is probably the price.

Mr. KENNEDY. And sell it for what?

Mr. DORAN. I never did figure this out. The \$400 a month for 10 years, that is quite a sum of money, and then at the end of 10 years we would have a cash value of \$40,000 more.

Mr. KENNEDY. So you expected to make a profit through this intermediary?

Mr. DORAN. Yes, sir.

Mr. KENNEDY. And just as has been done in the Stockton property?

Mr. DORAN. That is right.

Mr. KENNEDY. And why didn't that go through? Why didn't you go ahead and do that?

Mr. DORAN. Well, Mathews called me on the phone one day and he told me to come to Stockton, and I believe it was in February of 1957. He called me and he said "Wait there in Stockton," that he wanted to see me.

He met me out in front of the new Labor Temple, that was under construction at the time. He said that the McClellan committee are going to investigate this whole transaction, and forget about the whole thing, and he got in his car and away he went, and that was the last that I ever heard of that deal.

Mr. KENNEDY. So it never went through?

Mr. DORAN. That is right.

Mr. KENNEDY. You contemplated doing the same thing and making the same kind of killing that you made in the Stockton transaction but it never went through?

Mr. DORAN. That is true.

Mr. KENNEDY. You recognize, do you, Mr. Doran, that you acted improperly in the Stockton land deal?

Mr. DORAN. Yes, sir.

Mr. KENNEDY. And you recognize that your testimony here regarding the involvement of several other union officials conflicts directly with their testimony?

Mr. DORAN. That is right.

Mr. KENNEDY. For instance, Mr. Vandewark's testimony and your testimony conflicts with his?

Mr. DORAN. Yes, sir.

Mr. KENNEDY. And with Mr. Mathews' testimony, and you are aware of that?

Mr. DORAN. Yes, sir.

Mr. KENNEDY. But the facts as you have related them, as to how much money you received personally and how much money you passed on, are the correct and true facts?

Mr. DORAN. That is right.

Mr. KENNEDY. That is all for now, Mr. Chairman.

The CHAIRMAN. Are there any further questions?

All right, thank you. You may stand aside for the present.

Call the next witness.

Mr. DORAN. May I go home, Mr. Chairman?

The CHAIRMAN. Yes.

Mr. KENNEDY. Mr. Chairman, in the interest of expediting the hearing, I would like to have Mr. Salinger testify regarding certain other records and funds of this local 3, as to what we have found and then we will have to recall Mr. Garrett just for a few minutes.

The CHAIRMAN. All right.

TESTIMONY OF PIERRE SALINGER—Resumed

Mr. KENNEDY. Do you have the checks there of the defense fund?

Mr. SALINGER. The defense fund; yes, sir.

Mr. KENNEDY. There was a special fund, was there not, Mr. Salinger, set up by local No. 3?

Mr. SALINGER. There was a special fund called the defense fund.

Mr. KENNEDY. And that fund was treated in a special and particular way?

Mr. SALINGER. It was, sir.

Mr. KENNEDY. Would you explain to the committee about that?

The CHAIRMAN. How is the fund set up, out of what moneys?

Mr. KENNEDY. Out of the regular funds of the union.

The CHAIRMAN. How is the fund set up, out of what moneys?

Mr. SALINGER. Out of the regular funds of the union.

The CHAIRMAN. Out of union dues?

Mr. SALINGER. That is correct, sir. Whereas on the regular funds of the union you had to have a warrant to get a check made out, on the defense fund there are no warrants, and there never were any warrants.

The CHAIRMAN. Any vouchers?

Mr. SALINGER. And no vouchers.

The CHAIRMAN. No vouchers or warrants?

Mr. SALINGER. That is correct, sir.

Senator GOLDWATER. Who was authorized to draw on that?

Mr. SALINGER. The officers signed the checks on it, the same officers who signed checks on the regular funds signed the checks also on this defense fund.

Senator GOLDWATER. Let me ask you a point there, and I meant to ask you the other day. I notice some of these checks have 2 signatures and some of them have 3. Are there two required?

Mr. SALINGER. Basically 2 are required, although I think you will find, Senator, most of them have 3, and they have Mr. Swanson's signature on a different line, and then the 2 underneath.

Mr. Swanson's signature is on most of the checks on the left-hand side of the check. It is in a different spot. But on the defense fund, they actually printed different checks, and the three signatures appear below the words "defense fund" on these checks.

The CHAIRMAN. Do we speak of it as a defense fund? Is that a national defense fund?

Mr. SALINGER. No; this is a local defense fund.

Senator GOLDWATER. Was that set up by action of the membership?

Mr. SALINGER. It was, sir.

Well, let me tell you exactly how it was set up. At an executive board meeting on September 13, 1950, they enacted a resolution, which is short and perhaps I could read it to you, which set up this fund.

Whereas legislation is now being enacted into law in several of the States such as the so-called right-to-work bills, Taft-Hartley and other antilabor bills which make it mandatory that this union obtain and set aside funds for its defense; and

Whereas the union is in constant danger of being taken into court in any of its jurisdictions where these laws prevail; and

Whereas court costs, attorneys' fees, and so on require large amounts of money and funds, and should be immediately available when needed by the union: Therefore be it

Resolved, That local union 3 establish a defense fund, which shall be kept separate and apart from its other funds; and be it further

Resolved, That the funds for this account be obtained in the following manner: That after September 25, 1950, the initiation fees for local 3, 3A, and 3B be increased to \$20, that all reclassifications to local 3 be increased to \$20, and that all transfers except former members of local 3 be increased to \$20, and that the above apply to applicants in California only; and be it further

Resolved, That the regular officers in the manner prescribed by the bylaws, be authorized to withdraw from this fund all necessary expenses for both legal and organizing expenses.

Senator GOLDWATER. Was there any limit put on that fund by that executive action?

Mr. SALINGER. None whatever.

Senator GOLDWATER. Was that action ever referred to the membership?

Mr. SALINGER. It was referred to the membership in the manner in which they referred all of the executive board meetings and the minutes of the next regular membership meeting says "A synopsis of the executive board minutes were read and approved," and we have never been able to determine just how much of a synopsis, whether it was a short or long synopsis. In fact, that is one of the things that the construction stiff's were talking about. They kept talking about synopses in their letters.

Senator CURTIS. Now, these funds that ended up in the defense fund, for instance the increase in the initiation fee, would that first be paid in to their regular funds and then paid to the defense fund, or did individual items go direct from their source to the defense fund?

Mr. SALINGER. The ledger sheets of the defense fund indicate that all of the moneys that went into the defense fund were transferred from the general fund, which would indicate they went into the general fund first.

Senator CURTIS. Were warrants drawn for those amounts?

Mr. SALINGER. A simple transfer would be made, a transfer of funds from their general funds to the defense fund.

Senator CURTIS. So in order to supply the defense fund, they were removing money from the general fund by mere transfer and not by means of warrants and checks signed.

Mr. SALINGER. That is correct, sir.

Senator CURTIS. How much money did they have in the defense fund?

Mr. SALINGER. Well, our check of the record of the defense fund indicates that in the period from June 11, 1951, to April 15, 1957, a total of \$79,399.29 was expended from the defense fund.

Senator CURTIS. Have you examined the expenditures?

Mr. SALINGER. We have, sir.

Senator CURTIS. Were there expenditures for things other than opposing legislation?

Mr. SALINGER. There were.

Senator CURTIS. That is all, Mr. Chairman.

Mr. KENNEDY. Now, you have a breakdown there of certain items which have no authorization and no vouchers at all; do you?

Mr. SALINGER. With all of these, there is no voucher on any part of this.

Mr. KENNEDY. On any of the \$76,000?

Mr. SALINGER. That is right. However, out of that some \$23,049.29 has been traced to where they say it went.

Mr. KENNEDY. We were able to trace \$23,000 of the \$79,000 so that the records show that it was supposed to have been spent.

Mr. SALINGER. That is correct.

Mr. KENNEDY. Now, could you tell us about some of the other items that we came across?

Mr. SALINGER. Some of the items that are out of this defense fund are items that we have already discussed here. For example, the \$10,000 which went for the promoting of the pension fund at the international convention in 1956 was drawn out of this defense fund.

Mr. KENNEDY. Now, were you able to break that down, for the pension fund?

Mr. SALINGER. We were.

Mr. KENNEDY. Now, Mr. Vandewark and Mr. Clancy have testified regarding how much money they received from that pension-fund drive.

Mr. SALINGER. Yes, sir.

Mr. KENNEDY. And they each said they got a check for \$400?

Mr. SALINGER. That is correct.

Mr. KENNEDY. Did we find that in fact they received more money than that?

Mr. SALINGER. We did.

Mr. KENNEDY. Would you tell the committee what other moneys they received from that pension fund?

Mr. SALINGER. Well, the \$10,000 for this pension fund was a check which is an exhibit here, which was drawn to the order of the American Trust Co. This check was then converted into a number of cashiers checks, to various individuals who were going back to the convention.

The largest of these was a check to V. S. Swanson in the amount of \$4,650.

The records of that bank indicate that on that same day Mr. Swanson converted this \$4,650 cashier's check into 8 \$500 checks, all of them made out to V. S. Swanson, but 2 of them eventually cashed by Pat Clancy, and he received \$1,000 and a \$500 check cashed by B. E. Vandewark.

Mr. KENNEDY. That was over and above the checks they received directly?

Mr. SALINGER. Over and above the \$400 each they received out of the original \$10,000.

Mr. KENNEDY. Which they testified to.

Mr. SALINGER. Yes, sir.

Mr. KENNEDY. So Clancy received \$1,000 in addition, and Vandewark received \$500 in addition.

Mr. SALINGER. That is correct.

Mr. KENNEDY. That is in addition to the money that they testified that they received?

Mr. SALINGER. That is correct.

Senator CURTIS. And now we are talking about funds that were used to promote a pension?

Mr. SALINGER. Correct.

Senator CURTIS. And not funds that belonged to a pension plan?

Mr. SALINGER. That is correct, Senator.

Senator CURTIS. Now, who were to benefit by the pensions if it was developed? Was it for the rank and file, or for the officers and employees group?

Mr. SALINGER. It was for the officers and employees of the union.

Senator CURTIS. So they took money that belonged to the union members in order to carry on their propaganda to get the union members to vote a pension for themselves?

Mr. SALINGER. The most directly affected people were the very people who were getting these funds to lobby for the passage of the pension bill.

Senator CURTIS. And they got the fund from the people that would have to pay the pension?

Mr. SALINGER. That is correct, sir.

Senator CURTIS. Did the pension ever go through?

Mr. SALINGER. I understand it did, Senator.

Senator CURTIS. Do you know how elaborate it was?

Mr. SALINGER. I do not know, Senator.

Mr. KENNEDY. But it was a pension and these people that went to vote on the pension were the ones to receive the pension?

Mr. SALINGER. Yes, sir.

Mr. KENNEDY. Just the officers and employees of the union?

Mr. SALINGER. Yes, sir.

Mr. KENNEDY. So according to their record they appropriated \$10,000 to promote the pension, and they were to promote it among those who were going to get the pension anyway.

The CHAIRMAN. From those who were going to pay it.

Mr. KENNEDY. It was taken from those who were going to pay for the pension.

The CHAIRMAN. The \$10,000 was taken from the funds of those who were going to pay the pension, to promote the pension, for those who were going to get the pension.

Mr. SALINGER. That is correct, Senator.

Mr. KENNEDY. Now were there any others?

Mr. SALINGER. Then we have the \$10,000 that we have had in evidence here, which went for the fighting of the "construction stiffs," and that came out of this fund.

There is no accounting for any of those funds.

Senator GOLDWATER. Did you at any time get into the "construction stiffs" organization?

Mr. SALINGER. We did not, Senator. We have some of their bulletins.

Senator GOLDWATER. But you don't know how much they spent in this line?

Mr. SALINGER. I do not know. They would put out periodical bulletins, but how extensively they mailed them out I don't know.

Senator CURTIS. They didn't get any of the union funds?

Mr. SALINGER. No, sir; they were working on their own.

Now, in addition we have had some testimony here about the national check cashing expedition, and the three \$2,000 checks cashed on that affair came out of this fund.

Do you want any more of the specific items out of here?

Mr. KENNEDY. Whatever else we were able to trace down, was there any place where the money was supposedly spent and in fact we found it was not spent there?

Mr. SALINGER. Yes, sir.

Mr. KENNEDY. For instance, the original drive in Yerington, Nev.

Mr. SALINGER. Now, in connection with the organizational drive in Yerington, Nev., there were 3 checks drawn, one for \$1,000 and one for \$1,200, and another for \$2,000. I talked to officials of the Anaconda Copper Co. in Yerington and they said if there was an organizing drive down there they were completely unaware of it.

Mr. KENNEDY. How many people, or how big is Yerington, Nev.?

Mr. SALINGER. About 900 people.

Mr. KENNEDY. And how much money did they spend?

Mr. SALINGER. \$4,200.

Mr. KENNEDY. And how many employees did Anaconda Copper say that they had who were members of the Operating Engineers?

Mr. SALINGER. I do not know. They don't have it broken down that way in Nevada, but the union claims they have 37 members in Yerington, Nev.

Mr. KENNEDY. So that was about more than \$1,000 a member.

Mr. SALINGER. Yes, sir.

Mr. KENNEDY. For organizational purposes.

Mr. SALINGER. Yes, sir.

Mr. KENNEDY. Are there any other matters there?

Mr. SALINGER. Yes, we have 4 checks here amounting to \$14,000. I will find that in a moment. They were made payable to cash which were cashed by the bookkeeper of the union, Mr. Garrett, and he might explain what he did with them.

Mr. KENNEDY. Could we recall Mr. Garrett and ask what he did?

The CHAIRMAN. Would you state that again?

Mr. SALINGER. I have 4 checks, one in the amount of \$5,000 and one in the amount of \$2,000, and another in the amount of \$2,000, and a third one in the amount of \$5,000, and a total of \$14,000, all made out to cash, and all cashed by Mr. E. L. Garrett, the bookkeeper of the union.

The CHAIRMAN. Mr. Garrett, will you come forward, please?

TESTIMONY OF ELWOOD L. GARRETT—Resumed

The CHAIRMAN. Let me have those checks and we can identify them and make them exhibits.

Mr. Garrett, you are being recalled and you will remain under the same oath.

I present to you a series of 4 checks, photostatic copies of 4 checks. They are drawn on the account of local union No. 3, each one of them made payable to cash and they are dated August 6, 1954, and one in the amount of \$5,000. Another is October 16, 1952, in the amount of \$2,000. Another one is dated October 16, 1952, in the amount of \$2,000 and another is March 5, 1953, in the amount of \$5,000.

I ask you to examine these photostatic copies and state if you identify them.

(At this point, Senator Mundt entered the hearing room.)

(Documents were handed to the witness.)

Mr. GARRETT. Yes, sir, I can identify these checks.

The CHAIRMAN. They were issued by you and cashed by you, were they?

Mr. GARRETT. Yes, sir.

The CHAIRMAN. Thank you very much.

Those checks may be made exhibits 67, 68, 69, and 70, in the order of their dates.

(Documents referred to were marked "Exhibits Nos. 67, 68, 69, and 70" for reference and will be found in the appendix on pp. 7908-7911.)

The CHAIRMAN. The checks have now been identified and made exhibits. All right, Mr. Counsel, proceed.

Mr. KENNEDY. Mr. Garrett, can you tell us or tell the committee what you did with the money once you got it?

Mr. GARRETT. I was ordered to go down to the bank at the corner, and when I returned I turned the money immediately over to Mr. Swanson.

The CHAIRMAN. All of it?

Mr. GARRETT. On each occasion, yes. They were cashed on different dates. The entire amount was turned over to Mr. Swanson.

The CHAIRMAN. In each instance, when you went and cashed one of those checks, you turned all of the cash over to Mr. Swanson?

Mr. GARRETT. That is right.

The CHAIRMAN. How come you had to draw the checks?

Mr. GARRETT. I was ordered by Mr. Swanson to draw them.

The CHAIRMAN. You were ordered to issue the checks and to sign them and to go and get them cashed and turn the money over to Swanson?

Mr. GARRETT. That is right.

Senator MUNDT. Did he give you a receipt for it?

Mr. GARRETT. No, sir.

Senator MUNDT. Did he order you not to ask for a receipt?

Mr. GARRETT. No, sir. He just ordered the checks made up, and they were signed by the officers, and he called me in and asked me to go down to the bank and cash them, which I did, and returned and turned the money over to him.

Senator MUNDT. With no receipt?

Mr. GARRETT. No, sir.

The CHAIRMAN. Do you have any record as bookkeeper of the union, of how that money was expended?

Mr. GARRETT. No, sir.

The CHAIRMAN. Do you have any records showing it was spent for union purposes?

Mr. GARRETT. No, sir.

The CHAIRMAN. All right, proceed.

Mr. KENNEDY. That is all as far as the defense fund is concerned and Mr. Garrett is concerned.

The CHAIRMAN. Mr. Garrett, you may stand aside.

TESTIMONY OF PIERRE E. SALINGER—Resumed

Mr. KENNEDY. I believe Mr. Swanson got in some difficulty with the Federal Bureau of Investigation recently; did he not?

Mr. SALINGER. He did.

Mr. KENNEDY. That was in connection with making false statements to the FBI?

Mr. SALINGER. That is correct.

Mr. KENNEDY. And he was indicted?

Mr. SALINGER. He was.

Mr. KENNEDY. Was any money used out of the defense fund to defend him in that matter?

Mr. SALINGER. There was, sir.

Mr. KENNEDY. How much was used?

Mr. SALINGER. A total of \$10,000 was paid out of the defense fund for the defense of Mr. Swanson.

The CHAIRMAN. For making false statements to the FBI?

Mr. SALINGER. That is correct, sir.

The CHAIRMAN. Where was he indicted?

Mr. SALINGER. He was indicted in the Federal district court in San Francisco, Calif.

The CHAIRMAN. Has he been tried yet?

Mr. SALINGER. He pleaded nolo and he received a 2-year probation and had to repay the Government \$7,500 for the cost of the FBI investigation, which led up to the indictment.

The CHAIRMAN. That case then has been disposed of?

Mr. SALINGER. It has, sir.

The CHAIRMAN. Well, do you find any records of where the union has been reimbursed for the \$10,000 it spent on him?

Mr. SALINGER. No, sir.

The CHAIRMAN. What fund did that come out of?

Mr. SALINGER. That came out of the same defense fund, Senator.

The CHAIRMAN. Well, it is a defense fund then for some people?

Mr. SALINGER. It appears to be, sir.

The CHAIRMAN. Proceed.

Mr. KENNEDY. That originally arose out of the investigation that was being made of the "construction stiffs"; is that right?

Mr. SALINGER. Yes, sir. Would you like me to give you a brief résumé on that?

Mr. KENNEDY. And the hiring of Mr. Riley, and Mr. Riley then went down to try to investigate the "construction stiffs"?

Mr. SALINGER. That is right.

Mr. KENNEDY. And received a letter?

Mr. SALINGER. Yes, sir.

Mr. KENNEDY. And in the letter, Mr. Swanson forged a threat to him, personally?

Mr. SALINGER. He forged a death threat to Mr. Riley, and he intercepted the letter. It was on its way from the "construction stiffs" to Mr. Riley and he inserted a death threat, the theory being that Mr. Riley would then report to the FBI that he had been threatened through the mails, which is a Federal crime, and the FBI would find out who the "construction stiffs" were.

The CHAIRMAN. They were going to use that device to have the Federal Government's representative investigator find out who the "stiffs" were?

Mr. SALINGER. Apparently they failed in every other way, and this was their last resort.

Senator CURTIS. How was that case disposed of?

Mr. SALINGER. Mr. Swanson pleaded nolo contendere and he did not contest the suit.

Senator CURTIS. Equivalent to a plea of guilty?

Mr. SALINGER. I am not a lawyer, sir, and I do not know exactly what it is.

Mr. KENNEDY. Is there any other matter in the defense fund we wish to discuss?

Mr. SALINGER. I think we have covered the defense fund.

Mr. KENNEDY. There is one other thing that I wanted to talk to you about, and that is the Marshall Construction Co?

Mr. SALINGER. Yes, sir.

Mr. KENNEDY. Now, the Marshall Construction Co. was a company of Mr. Marshall Swanson?

Mr. SALINGER. Yes, sir; there are actually two companies, the Donald A. Cameron, Inc., which was the predecessor company, and then there was the Marshall Development Co.

Mr. KENNEDY. Donald Cameron was on the public utilities commission with Mr. Swanson?

Mr. SALINGER. He was.

Mr. KENNEDY. And he and Marshall Swanson went into business together, the construction business?

Mr. SALINGER. Yes, sir.

Mr. KENNEDY. They built some homes?

Mr. SALINGER. They built about 15 homes.

Mr. KENNEDY. And then that partnership broke up, about 1954?

Mr. SALINGER. July of 1954, the partnership broke up.

Mr. KENNEDY. And then Mr. Marshall Swanson formed his own company?

Mr. SALINGER. That is correct.

Mr. KENNEDY. And did he receive some contracts then from the Operating Engineers?

Mr. SALINGER. He did.

Mr. KENNEDY. What was the first contract he received?

Mr. SALINGER. The first contract he received was for the building of the union building at Marysville, Calif. That contract was actually let while he was still connected with Donald A. Cameron, Inc. I will give you the price on that building. That building cost a total of \$54,823.14.

Mr. KENNEDY. And he actually put a bid in on that?

Mr. SALINGER. Yes, sir.

Mr. KENNEDY. That company put a bid in on that?

Mr. SALINGER. Yes, sir.

Mr. KENNEDY. And he received the contract?

Mr. SALINGER. Yes, sir.

Mr. KENNEDY. Received the award of the contract?

Mr. SALINGER. Yes, sir.

Mr. KENNEDY. And he constructed the building?

Mr. SALINGER. He did.

Mr. KENNEDY. Did he do any other work for the building?

Mr. SALINGER. There is one thing in addition. In connection with the Marysville building, in addition to the Donald A. Cameron, Inc., getting the contract to build the building, Mr. Swanson, Marshall Swanson, received a check from the union in the amount of \$2,047.35 to supervise the construction of the Marysville building.

His company was building it and he got the supervision fee from the union.

Mr. KENNEDY. Did he receive any other contracts from the union?

Mr. SALINGER. He received a number of them.

Mr. KENNEDY. Did he ever put a bid in?

Mr. SALINGER. No; none that we understand.

Mr. KENNEDY. He received a number of other contracts for the construction work done by the union, and yet never placed a bid; is that right?

Mr. SALINGER. That is what we understand.

Mr. KENNEDY. The contracts were all awarded to him or given to him?

Mr. SALINGER. He just did the buildings.

Mr. KENNEDY. How much in building, totally, did he do for the union, construction work for the union?

Mr. SALINGER. A total of construction work, paid to Donald A. Cameron, Inc., by the union, \$100,074.81.

And paid to the Marshall Development Corp. \$717,020.23.

Mr. KENNEDY. What financial arrangements did Mr. Marshall Swanson and the Marshall Construction Co. have with the union?

Mr. SALINGER. As to the profit margin, you mean?

Mr. KENNEDY. As far as the contracts that he did, other than the first one which was on a bid basis.

Mr. SALINGER. Our examination of the records of the union and of the Marshall Development Co. showed that as the Marshall Development Co. built the building, they received the actual construction money or operating capital from the union as they went along.

For example, in the Stockton building they would receive chunks of \$60,000 each, approximately every month or so, as the building progressed toward completion, so that the Marshall Development Co. did not have to put up any appreciable operating capital.

Mr. KENNEDY. How much did they actually receive? What were the financial arrangements with the union so far as profit was concerned with the company?

Mr. SALINGER. They varied slightly, but generally they were on a basis of 10 percent general overhead and margin over and above the cost of the building.

Mr. KENNEDY. So that the union would put up the money, No. 1 it was not put out on a bid basis, and it was a cost-plus basis; is that right?

Mr. SALINGER. That is correct.

Mr. KENNEDY. Cost plus 10 percent?

Mr. SALINGER. That is correct.

Mr. KENNEDY. And the union put up the money for the building of the property?

Mr. SALINGER. That is correct.

Mr. KENNEDY. And putting up the building; is that right?

Mr. SALINGER. That is right.

Mr. KENNEDY. And he got 10 percent above all of that as profit?

Mr. SALINGER. That is right.

Mr. KENNEDY. So he was taking no risk at all.

Mr. SALINGER. There does not appear to be any risk.

Mr. KENNEDY. And he made 10 percent of that, so he made the original deal, plus about \$750,000 of construction work, which would be about \$75,000 that he made?

Mr. SALINGER. That is correct.

Mr. KENNEDY. And then did he also get some supervisory fees from the union for the work he was doing?

Mr. SALINGER. All of these jobs show—for example, here I am looking at San Jose Building, superintendent, Mr. M. B. Swanson, \$1,582.50. That was added to the cost, so actually the 10 percent was over and above the superintendent fee.

Mr. KENNEDY. And he got 10 percent of that?

Mr. SALINGER. Yes, sir.

Mr. KENNEDY. He got 10 percent of the fee that he received as supervisor?

Mr. SALINGER. Since the superintendent's fee was put in as a part of the total cost, he got 10 percent of the superintendent's fee; that is correct.

Mr. KENNEDY. Does he have some elaborate office out in San Francisco?

Mr. SALINGER. No, sir.

Mr. KENNEDY. Where does he operate?

Mr. SALINGER. He operates out of his home.

Mr. KENNEDY. But does he have a number of employees?

Mr. SALINGER. He has employed different numbers of people, on various jobs, carpenters, and laborers.

Mr. KENNEDY. What about his office help?

Mr. SALINGER. His wife is his bookkeeper.

Mr. KENNEDY. So that 10 percent of her fee is also charged to the union?

Mr. SALINGER. In some of these contracts, it shows a bookkeeper's fee or office expense is added to the cost.

Mr. KENNEDY. So the office expense, and then the 10 percent on top of that, is that right, for profits?

Mr. SALINGER. That is correct.

Mr. KENNEDY. Is that an unusual arrangement, Mr. Salinger?

Mr. SALINGER. Well, Mr. Gordon and I have been talking to various contracting associations about this, and they seemed somewhat amazed, and the best they can describe it is that Mr. Marshall Swanson had a very generous father.

Mr. KENNEDY. Or a charitable father?

Mr. SALINGER. Yes; charitable father.

The CHAIRMAN. This Swanson that does all of this building is the son of the Swanson who is the boss of this union?

Mr. SALINGER. That is correct, sir.

Mr. KENNEDY. I think that that is all.

Mr. SALINGER. Do you want to put in this general organizing fund? That is all of that, I think.

Mr. KENNEDY. Mr. Victor Swanson, Mr. Chairman.

The CHAIRMAN. Mr. Swanson, come around, please.

You do solemnly swear that the evidence you shall give before this Senate select committee shall be the truth, the whole truth, and nothing but the truth, so help you God.

Mr. SWANSON. I do.

STATEMENT OF VICTOR S. SWANSON, ACCOMPANIED BY HIS COUNSEL, BYRON N. SCOTT

The CHAIRMAN. Mr. Swanson, state your name, your place of residence, and your business or occupation.

Mr. SWANSON. My name is Victor S. Swanson, address, 366 15th Avenue, San Francisco, Calif., manager of local union 3 up to the time there was a move by a kangaroo court.

The CHAIRMAN. Did a kangaroo court remove you?

Mr. SWANSON. The kangaroo court removed me. You have the record there.

The CHAIRMAN. Was it last September?

Mr. SWANSON. Yes, sir.

Senator MUNDT. Who was the judge of the kangaroo court? That is a new one to me.

The CHAIRMAN. Just a moment. Let us have counsel.

Do you have counsel to represent you?

Mr. SWANSON. Yes, Your Honor.

The CHAIRMAN. Counsel, will you identify yourself for the record.

Mr. SCOTT. Byron N. Scott, 517 Wyatt Building, Washington, D. C.

Senator MUNDT. Mr. Swanson, you said you were removed by a kangaroo court. My question was, Who is the judge of the kangaroo court?

Mr. SCOTT. Who was the judge?

Senator MUNDT. Yes.

Mr. SWANSON. William E. Maloney, general president, was the judge, jury, and the prosecutor.

Senator MUNDT. He was the court, then?

Mr. SWANSON. Yes, sir.

The CHAIRMAN. May I inquire, I have just been handed a statement. Do you have a prepared statement that you wish to read?

Mr. SWANSON. I have.

The CHAIRMAN. Have you examined it, Mr. Counsel?

Mr. KENNEDY. Yes; I have.

The CHAIRMAN. Without objection you may read your statement.

Mr. SWANSON. I have a little difficulty seeing, but I will do the best I can.

The CHAIRMAN. If you are not able to read the statement, we will permit your counsel to read it for you.

Mr. SWANSON. Thank you very much.

The CHAIRMAN. All right, Mr. Swanson, you may proceed and if you have difficulty, we will permit your counsel to read the statement.

Mr. SWANSON (reading):

Mr. Chairman and members of the committees, I appreciate greatly the opportunity to make this brief reply to the many false, unfounded statements that have been made by prior witnesses about me and my conduct as business manager of local 3.

This honorable committee will be in no position to understand or resolve the conflict between the testimony it has heard and the testimony I will present without an appreciation of its underlying background.

I have been business manager of local 3 since 1941 and prior thereto was a official of its predecessor for 20 years. This has been my life's work, and I say to you with humility that I am proud of what I have contributed to the many thousands of workingmen that I have been privileged to represent, and I am proud, too, of what I feel I have been able, as a representative of these many good citizens, to contribute to the betterment of my community generally.

But I am distinctly not proud of the international union or, at least, the top officials of that union with whom I have for many years been forced to associate and through whom I necessarily had to function on behalf of the rank and file membership I represented.

And this, gentlemen, is the key to the whole picture. I say without fear of successful contradiction that the international union is one of the most corruptly led unions on the American scene. I believe that this committee will successfully trace that festering corruption to the mobster, racket-ridden days of no less a notorious figure than Al Capone. And I say to you, in all sincerity, that the only reason I am sitting here today is because for years I have been doing my utmost to eradicate that rotten leadership from our midst and that only because I was on the verge of success have I been victimized by a calculated conspiracy to destroy me, my career, my reputation and my life's work.

It may well be that not everything I have done in the course of my career will meet the high standards that are necessarily yours and which properly you apply as a committee of the most respected legislative tribunal in the world. I would, however, respectfully suggest that there is a vast difference between performing the day-to-day duties of a local trade-union leader in seeking to adjust to the hard realities of economic conflict and performing your high duty of evaluating and formulating national policy.

But, whatever my excesses, whatever errors or wrong I may have done, they were not motivated by any conscious desire for self-enrichment, but for what I

honestly thought at the moment would best serve the interests of the workers I represented. And whatever these excesses and wrongs, they do not remotely resemble the testimony you have heard. That testimony is nothing less than the coerced or bought or inspired work of one Mr. William Maloney, the president of our international union and Mr. Joseph Delaney, its secretary-treasurer, who seek thereby to divert the attention of this committee and the public it represents from their own deepseated corruption.

Unlike others, I have presented myself to this committee despite a medical warning, which I have in writing, against any great mental or physical tension, because of my 75 years and because of the condition of my heart and of my blood pressure.

I am here, Mr. Chairman and gentlemen, to answer your questions to the best of my ability, and let the chips fall where they may.

The CHAIRMAN. All right, thank you very much, Mr. Swanson. I am sure that the committee and counsel will take into account your physical condition, and if you tire and need a rest, we will take those things into account. We want you to testify fully and we want you to have the opportunity to do exactly what you say you want to do.

All right, Mr. Counsel, proceed.

Mr. KENNEDY. Mr. Swanson, how long have you been an official of the labor union movement?

Mr. SWANSON. Since 1919.

Mr. KENNEDY. Since 1919?

Mr. SWANSON. Yes, sir.

Mr. KENNEDY. What position did you hold at that time?

Mr. SWANSON. I was elected the president of local No. 59.

Mr. KENNEDY. Where was that?

Mr. SWANSON. In San Francisco.

Mr. KENNEDY. That was the Operating Engineers?

Mr. SWANSON. Yes, sir; that is one local that afterward became local No. 3.

Mr. KENNEDY. How many members did you have at that time?

Approximately. Do you remember?

Mr. SWANSON. It is different. We had all the way from 200 to probably 250.

Mr. KENNEDY. Were you practicing your trade at that time? What were you doing?

Mr. SWANSON. Wait a minute. I went back to the time I became a member, excuse me. I don't have the record here, but I was elected president in 1919, and in 1921 I was elected business agent of local union 59. That afterward became one of the parts of local 3.

Mr. KENNEDY. What was your trade at that time?

Mr. SWANSON. An engineer.

Mr. KENNEDY. Were you an engineer?

Mr. SWANSON. Yes; an operating engineer.

Mr. KENNEDY. And when was local 3 formed?

Mr. SWANSON. In 1941 when it became a local autonomy. I don't have all the dates.

Mr. KENNEDY. It is approximately, and that is all I am looking for.

Then you lost your eye in 1943; did you?

Mr. SWANSON. It was in 1944 when I got acid thrown into my eyes, and I have 40 percent of 1 left and the other 1 is an artificial eye.

Mr. KENNEDY. What happened as far as the acid was concerned, and where was the acid thrown in your eye?

Mr. SWANSON. I came out of a building-trades meeting in San Francisco, and my wife, Mrs. Swanson, was sick and so I was called out early and as I went out I was approached by 2 or 3 men, and I was struck first, and then when they thought I was dead, they threw the acid in my eyes, and that probably brought me to life a little bit. It burned my whole face, my whole face was burned off, my ears and my face.

Mr. KENNEDY. What do you mean you were struck first?

Mr. SWANSON. I was struck, pounded to pieces.

Mr. KENNEDY. When you were down on the ground, they threw the acid?

Mr. SWANSON. Just as I went into a car, as I opened the door, from behind I was struck.

Mr. KENNEDY. You were knocked down and they threw the acid in your face?

Mr. SWANSON. Yes.

Mr. KENNEDY. Did they ever find out who was responsible for that?

Mr. SWANSON. We spent a lot of money, and we thought many times we had the responsible parties, but we didn't have such evidence to convict them. They were from the other groups.

Mr. KENNEDY. It was from what?

Mr. SWANSON. From other groups.

Mr. KENNEDY. Within the Operating Engineers?

Mr. SWANSON. Oh, no; that is, one of them wasn't, but I can't—

Mr. KENNEDY. Was it involved with your job as a labor official, was it in connection with that?

Mr. SWANSON. Oh, yes. It was the same people that, most of the people in my opinion that afterward tried to disrupt the organization.

Mr. KENNEDY. But they were never able to determine exactly who was responsible.

Mr. SWANSON. It was never brought out who they were, and they were never convicted, in other words.

Mr. KENNEDY. Was anybody arrested in connection with it?

Mr. SWANSON. The police department in several places spent a lot of time and called a lot of people in but they were never able to find out, and the State attorney general was trying to locate these people and the local had a call out and everything and we never got enough evidence on them to go to trial, in other words. That was I think in 1944, and my memory isn't quite as good as it should be.

Mr. KENNEDY. When was local No. 3 formed, in 1941?

Mr. SWANSON. It was in 1939 and then it was under national supervision until 1941 when we had an election. And I was elected manager and I was elected all through the years.

(At this point, the following Senators were present: Senators McClellan, Mundt, and Curtis.)

Mr. KENNEDY. And you have been manager since that date?

Mr. SWANSON. I have.

Mr. KENNEDY. Up until the time that you were removed, just a short time ago?

Mr. SWANSON. That is correct.

Senator MUNDT. To go back a little bit, Mr. Swanson, prior to 1919 how long had you been an operating engineer? How did you get

to be an operating engineer? Was your father an operating engineer?

Mr. SWANSON. I became a member of the engineers in 1906, and then afterward in 1911 I became a member of local 59. The first local was a local that afterward became a member of local 59. I started in San Francisco in 1906, when I came there.

Senator MUNDT. Are you a native Californian?

Mr. SWANSON. No; I am a native of North Dakota.

Senator MUNDT. You left the farm and went out to the west coast and took up engineering; is that it?

Mr. SWANSON. I starved to death over there. Pardon me.

(The witness conferred with his counsel.)

Mr. SWANSON. I left the farm rather early, Mr. Senator, but I worked in many places. I worked in Michigan. I think I worked in every State in the union but one, over a few short years as a young man, and kicked around, and I learned a whole lot about this country. The only State I never had a chance to work in was in the State of Florida.

Senator MUNDT. So for 52 years, then you have been a member of the union?

Mr. SWANSON. Fifty-one, I think, and 6 months, something like that. I think I have the books. I haven't got them on me. I paid dues all that time.

Mr. KENNEDY. I want to ask you about some of the matters concerning you that have been testified to before the committee. First on this Stockton land deal, according to the testimony, the land initially was purchased by the union, the union paid \$33,500 when the land in fact should have only cost them \$29,500. Mr. Doran got the difference of \$4,000. Do you follow me so far?

Mr. SWANSON. I do; yes.

Mr. KENNEDY. Mr. Doran's testimony is that he took the money and he went up to San Francisco and gave the money to Mr. Vandewark, and that you were present in the building or present in the room at the time; is that correct?

Mr. SWANSON. I have no recollection of it. I don't remember ever being present.

Mr. KENNEDY. Did you know that the land was purchased by the union for \$29,500, although they paid \$33,500?

Mr. SWANSON. I can't recollect, no. I only know what they paid for it in the beginning.

Mr. KENNEDY. You didn't know that there was a \$4,000 kickback to Mr. Doran?

Mr. SWANSON. No, sir.

Mr. KENNEDY. You were not aware of that?

Mr. SWANSON. No, sir.

Mr. KENNEDY. Are you the one that recommended that the land be purchased?

Mr. SWANSON. I think I recommended the land to be purchased. It was a former cemetery, and an old cemetery, and it was some 6 acres.

Mr. KENNEDY. That is all right. But you say you were not involved in the original transaction where there was a \$4,000 kickback?

Mr. SWANSON. No.

Mr. KENNEDY. And you were not aware that that money was split between Mr. Vandewark and Mr. Doran?

Mr. SWANSON. No; I was not.

Mr. KENNEDY. And you were not aware that that money was split between Mr. Vandewark and Mr. Doran?

Mr. SWANSON. I was not.

Mr. KENNEDY. The first plot on our chart, the land was sold by the union for \$8,500. Do you follow me?

Mr. SWANSON. No. 3?

Mr. KENNEDY. No; No. 1.

Mr. SWANSON. What is the question?

Mr. KENNEDY. You sold the first plot for \$8,500. The plot went for \$8,500, sold by the union for \$8,500, when, in fact, the purchaser paid \$20,000 for it. There was a difference of \$9,884.76. Did you receive any of that money?

Mr. SWANSON. I did not.

Mr. KENNEDY. You did not. Mr. Doran has testified that he turned this money over to you, he paid the taxes and turned the money over to you, and then you, in turn, gave him some of the money back.

Mr. SWANSON. I wasn't here when he testified. But whether he testified or not, I did not.

Mr. KENNEDY. You did not receive any of that?

Mr. SWANSON. That is correct.

Mr. KENNEDY. Did you know that the union was selling this property for \$8,500, when it could in fact have sold it for \$20,000?

Mr. SWANSON. I am not sure if I get you correctly. I think I was away at that time. I do not think I was in Stockton when any of those transactions took place. That is as I remember it.

Mr. KENNEDY. Did you know or were you aware of the fact that the union sold this property for \$20,000, but only received \$8,500 for it? Were you aware of that fact?

(Senator Mundt, at this point, withdrew from the hearing room.)

Mr. SWANSON. I think I remember when they sold it for \$20,000.

Mr. KENNEDY. Were you aware of the fact that they only received \$8,500?

Mr. SWANSON. No, I was not.

Mr. KENNEDY. And yet you were the business manager?

Mr. SWANSON. I was the business manager, but I don't think I was there at that time.

Mr. KENNEDY. You say you didn't receive any of that money?

Mr. SWANSON. No; I did not receive any of that money.

Mr. KENNEDY. Let's take plot No. 2, sold by the union for \$24,000, and yet the union only received \$10,858. There was a kickback of \$12,071. Did you receive any of that money?

This is plot No. 2.

(The witness conferred with his counsel.)

Mr. SWANSON. I would like to explain that, if I can.

Mr. KENNEDY. That is what I am trying to get.

Mr. SWANSON. A check for approximately \$12,000—mind you, I don't remember the cents or dollars, but if you show me the check. I will tell you. Mr. Doran came into San Francisco, and I think it was on a Wednesday. Our board meetings were always on Wednesday. He got in a little late to go to the bank. The bank was downstairs, practically 2 minutes or a minute from our office. He said "I want you to cash this check."

So I said "Well, let us go down and see if we can get in."

He said, "Well, I was down there, but they don't want to cash it without a signature from you." I said, "Leave it here and I will cash it for you." He said, "Can you give me some money? I want some money. I need some cash."

To my best recollection, I gave him \$1,600. Then he said to me "I want you to get a check for Pat Clancy for \$800." He didn't tell me what it was for. He said "Get a check for him, and get a check for Doran for \$3,000"—if I miss it, it is \$3,900.

He said, "I have got to pay the Internal Revenue for this money." Then he says "Get a check for \$5,700 for you that I owe you."

He said, "I want to pay you. Now I got the money and I want to pay you." That is the story of that.

The CHAIRMAN. Is this the check you refer to? It has been made exhibit 9. It is dated July 11, 1955, in the amount of \$12,071.

(The document was handed to the witness.)

(The witness conferred with his counsel.)

Mr. SWANSON. That is my signature.

The CHAIRMAN. That is the check you are talking about that you took to the bank and cashed?

Mr. SWANSON. That is correct.

The CHAIRMAN. Did you know what that money was for?

Did you know what that check was for?

Mr. SWANSON. No. He didn't tell me at that time. I have heard many stories.

The CHAIRMAN. You are endorsing a check there, getting money on a check, of your local. Surely as manager you must know something about it.

Mr. SWANSON. Wait a minute. This is a check on the Stockton Abstract & Title Co. He said to me "Will you cash this check?"

The CHAIRMAN. All right. Did you know it was for the purchase of that land?

Mr. SWANSON. This here?

The CHAIRMAN. Yes.

Mr. SWANSON. Since then I have it.

The CHAIRMAN. Did you know at that time?

Mr. SWANSON. No. I didn't ask him at that time what it was.

The CHAIRMAN. Wouldn't you naturally inquire "What is this check for?"

Mr. SWANSON. Well, I didn't. He told me what money he wanted, and I carried out his request.

The CHAIRMAN. I declare, this a pretty come-on.

Senator CURTIS. Who was it that owed you \$5,000?

Mr. SWANSON. \$5,700.

Senator CURTIS. Who was that?

Mr. SWANSON. Doran.

Senator CURTIS. How long had he owed you that money?

Mr. SWANSON. Well, it differed over several years. But he had a stroke and he run out of money and he was in Reno. I was over to see him there. He had made loans several times since he came to Stockton. He bought some property and so forth. That is what it actually amounted to.

Senator CURTIS. Did you have any notes for this, of indebtedness?

Mr. SWANSON. I had records, but they were in my desk.

Senator CURTIS. Where are those records now?

Mr. SWANSON. I wish the officers or whoever robbed my desk before I got back would turn them up to us.

Senator CURTIS. When was that? Before you got back when? When was that? When was your desk robbed?

Mr. SWANSON. When I was on trial here, and I called that a kangaroo trial, and where they removed me from office.

Senator CURTIS. What year was that?

Mr. SWANSON. That was in July last.

Senator CURTIS. Just a few months ago?

Mr. SWANSON. Well, let me tell the story. Then Mr. Carman, who represented Mr. Maloney, and Mr. Clancy, and Mr. Vandewark, and I think Mr. Mathews, they went home 2 days early, 2 or 3 days early.

I had to stay here on account of first of all I didn't have transportation. When I came into San Francisco, I went over to my office and it was locked. They had changed the keys on the lock. The following day I called up Mr. Carman, Mr. Maloney's personal representative, and I said, "I want to go down and get my stuff out of that desk."

I had about 8 or 10 years—all of my stuff was in there. I kept nothing at home. So when I come in there, on my big desk the lock for the desk was laying on a table, and he said, "Here it is."

I went through all my lockers, and all I could find was a lot of old newspapers, and a lot of run-out grievances and so forth, and all of my records were gone.

Senator CURTIS. Mr. Swanson, you loaned him this money on several occasions over a period of time, did you?

Mr. SWANSON. That is correct.

Senator CURTIS. You did it because he needed money?

Mr. SWANSON. I presume. I don't guess he would borrow money unless he needed it. I don't know about that.

Senator CURTIS. When he came in and paid it all at once, you had no question in your mind about where he got the money?

Mr. SWANSON. No, not when he handed me that check. I have no recollection now of it. It is quite a while ago. We have a lot of checks. It costs us about \$200,000 a month to run the union, and we get a lot of money.

Senator CURTIS. Yes, but here is an employee of yours who comes in with a \$12,000 check, and he has that divided up, and he refers to one item, a sizable item, of over \$3,000 for taxes. Then you say he paid you a \$5,700 debt.

Mr. SWANSON. No; \$5,700.

Senator CURTIS. You just assumed that he was paying that out of savings, did you, out of his own?

Mr. SWANSON. I did not go into that. He wanted \$3,900 to pay for the income tax on it, he said, so I didn't think there was anything wrong with that. I wasn't running his business. He said, "Get a check for \$3,000."

Senator CURTIS. Why would he come to you with that check in the first place?

Mr. SWANSON. I don't know why, except that he was in the building, and the bank was closed, so he says, "Take care of that."

He was a member of the executive board, and they met on Wednesdays. That is how he happened to come in there. If the bank had

been open when he come in, he wouldn't have come to me at all, I don't suppose.

Senator CURTIS. Mr. Swanson, that is awful hard to understand.

Mr. SWANSON. It is true. That is all I can say.

The CHAIRMAN. All right.

Mr. KENNEDY. Mr. Swanson, once he came in, as Senator Curtis pointed out, why did you then go down and purchase cashier's checks? Why?

(The witness conferred with his counsel.)

Mr. SWANSON. Well, he said that is what he wanted. Doran told me to get that the next day.

Mr. KENNEDY. But there would be no reason for you to go down and purchase cashier's checks if you were doing nothing more than giving him a courtesy endorsement. Were you giving him more than a courtesy endorsement?

Mr. SWANSON. Wait a minute. He left the check with me because the bank was closed, and he said, "Take this check and get it cashed," and then he told me what to do with it.

Mr. KENNEDY. This is entirely different than what you told the so-called kangaroo court. You said he came in and wanted an endorsement, and you never knew what happened to the money. When we traced the check down, we find out that you purchased cashier's checks with the money. Now you add something further to the testimony.

Mr. SWANSON. You quote me wrong.

Mr. KENNEDY. I have your testimony right here.

Mr. SWANSON. I know, but at that kangaroo trial, most anyone went there. We were not under oath.

Mr. KENNEDY. What?

Mr. SWANSON. At the kangaroo trial, everything went, and we had no opportunity to look into it. Afterward, I have looked into exactly how it happened, to check up.

The CHAIRMAN. Let me ask you this: You said kangaroo trial, everything went. Do you mean that you didn't tell the truth at the kangaroo trial?

Mr. SWANSON. I told the truth as I saw it. But I didn't have all the information.

Mr. KENNEDY. But the truth as you saw it 6 months ago is different from the truth as you see it today?

Mr. SWANSON. I have looked it up since, and I can tell you exactly what happened.

Mr. KENNEDY. This is quite a transaction. You went down and purchased one cashier's check for Pat Clancy, the president of the local, for \$800. You purchased another cashier's check for Ed Doran for \$3,950. You purchased another cashier's check for yourself, \$5,721. What was that for?

(The witness conferred with his counsel.)

Mr. KENNEDY. That was \$5,721.

Mr. SWANSON. That was money that Mr. Doran owed me.

Mr. KENNEDY. He just happened to owe you \$5,721?

Mr. SWANSON. I don't know if it was 21, but whatever it was, that is what he paid me, what he owed me.

Mr. KENNEDY. Did you have a personal account in that bank where you got this check cashed?

Mr. SWANSON. Downstairs, do you mean?

Mr. KENNEDY. Yes.

Mr. SWANSON. No. I only had a personal account in one place and that was the Hibernia bank.

Mr. KENNEDY. You didn't have a personal account in this bank?

Mr. SWANSON. Not that I know of. The union had a lot of money in there, and they cashed anything that we signed. I don't know what it was.

Mr. KENNEDY. But you didn't have a personal account?

Mr. SWANSON. Not that I know of. I can't remember having a personal account.

Mr. KENNEDY. Tell me what happened on the third piece of property. You purchased that for \$15,000 and then you sold it back to the union 6 months later for \$35,000.

Mr. SWANSON. You called for No. 3?

Mr. KENNEDY. Yes.

Mr. SWANSON. We had sold 1 and 2, and the other part, is that No. 1?

Mr. KENNEDY. No. 3.

Mr. SWANSON. All of this ground was part of a cemetery.

Mr. KENNEDY. All I want to know—

Mr. SWANSON. I will tell you.

Mr. KENNEDY. All right.

Mr. SWANSON. We bought it. Mr. Doran and I bought that piece of property for \$15,150. I think that is correct. I don't know exactly. But we bought that, and we bought it to—in fact, Mr. Doran called me up and he wanted to buy it for a trailer court.

Mr. KENNEDY. Why did you only pay \$15,150?

Mr. SWANSON. That was all it was worth at that time.

Mr. KENNEDY. Mr. Swanson, you just sold plot No. 2. You paid for plot No. 3 \$45 a front foot, and you just sold plot No. 2 for \$100 a front foot.

Mr. SWANSON. Well, what about it?

Mr. KENNEDY. What do you mean, what about it? Why didn't you pay \$100 if you were buying the property? In one case, you were a trustee of funds, and you sold that piece of property to yourself as a businessman. You had a responsibility. When you sold plot No. 2, you sold it for \$100 a front foot. When you sold plot No. 3 to yourself, you only charged \$40 a front foot.

Mr. SWANSON. Do you want me to explain it?

Mr. KENNEDY. If you can.

Mr. SWANSON. I can explain it. There is nothing illegal about that.

Mr. KENNEDY. Is there anything improper about it?

Mr. SWANSON. Well, I don't think so. By the time we had sold the other two pieces and they started to build there, Mr. Doran had found 3 acres in another section.

All the officers, including myself, went up there and we thought it was a good buy. I think it was \$30,000 we paid. I think the union still owns it. It is worth probably twice that much now. I don't know. So they decided not to build on this third place, but to build up there. So they wanted to sell that. I think by my estimate that was a fair price.

Mr. KENNEDY. No; it wasn't, Mr. Swanson. You are absolutely wrong. You had sold plot No. 2 for \$100 a front foot just before that,

and you bought this, yourself, for \$45 a front foot. Six months later you sold it back and made a \$20,000 profit.

Mr. SWANSON. If we kept it another month we would have gotten \$70,000. That went up fast. This was a cemetery. Things change pretty fast.

Mr. KENNEDY. That was changing back and forth so quickly you could hardly see it, Mr. Swanson.

Mr. SWANSON. In my judgment, that is all that land was worth at that time. But after the other buildings went up and they had to fill this—I don't think it was even a part of Stockton at the time. Afterward, it went up fast. If Mr. Doran and I had kept that land another month or 2 months, in my opinion it would have been worth \$70,000. I am telling you exactly what happened.

Mr. KENNEDY. The only problem there is that it was already worth more than you paid for it.

Mr. SWANSON. Not in my opinion; no.

Mr. KENNEDY. Did you have it assessed by an independent assessor?

Mr. SWANSON. Yes; we sent people over. Anybody that would have paid more at that time would have gotten it.

Mr. KENNEDY. What about plot No. 2 and plot No. 1? They paid more for those two plots. Plot No. 1 and plot No. 2, you received more money for those when you were selling them to independent people, when you were not selling them to yourself.

(At this point, Senator Goldwater entered the hearing room.)

Mr. SWANSON. Plots Nos. 2 and 1, one was sold for a hospital and I think one was sold for a medical building.

Mr. KENNEDY. That doesn't answer it.

Mr. SWANSON. That made all the difference in the world, then. If they hadn't been sold for that and built there, the other place was not worth any more. There was some fill in it. I am not arguing. That is all I thought it was worth, and I thought that was all you could have gotten from anybody.

The CHAIRMAN. Mr. Swanson, you sold plot No. 2 for \$100 a front foot, and they started to build something on it. What was it?

Mr. SWANSON. On that one place, I think, is built a medical building. By the way, when all of that was going on, I don't think I was even around Stockton. I think I was in Miami. Your records will show.

The CHAIRMAN. The point is you sell plot No. 2 for \$100 a foot, and you buy right next to it, after that advance had been made in the price or in the value, that advance was apparent because you sold 2 for \$100 a foot, and then you sell yourself in effect plot 3 for forty-some-odd dollars a front foot.

What is the difference in plots 2 and 3 in their normal value?

Mr. SWANSON. The union bought the whole thing for \$35,000, and in the deal that they made, they made over \$1,000 on all 3. But I am not arguing. There might be 1 piece of property here that is worth \$100 and 1 over here that is worth \$10,000.

The CHAIRMAN. But when you get them side by side and purchased in the same tract—

Mr. SWANSON. I am not arguing that point. I am telling you what we bought and what we paid for it.

The CHAIRMAN. It is perfectly apparent, what you bought, what you paid for it, and the profit that you made out of it. All right. Proceed.

Mr. SWANSON. We bought it with our own money.

Mr. KENNEDY. You sold the property to the union some 6 months after you paid for it, 6 months after you purchased it. Did you take a long-term capital gain on that?

Mr. SWANSON. Well, I think it was over 6 months. It was 6 months approximately.

Mr. KENNEDY. Did you take a long term?

Mr. SWANSON. I paid the income tax. Well, yes—what do you mean long term? I took what the attorney told me I was entitled to.

Mr. KENNEDY. Well, did you take long term?

(The witness conferred with his counsel.)

Mr. SWANSON. What is 6 months? A long term?

Mr. KENNEDY. Over 6 months is.

Mr. SWANSON. I think that is what I took. The attorney made it out. I can go and get it in 10 minutes for you, if you want it.

Mr. KENNEDY. I believe you did. Actually, it was 1 day under 6 months.

Mr. SWANSON. According to the attorney, it was not. But then I am not going to argue that. I am not an attorney.

(At this point Senator Mundt entered the hearing room.)

Mr. KENNEDY. What did you do with the \$17,000 that you got out of that?

Mr. SWANSON. The \$17,000?

Mr. KENNEDY. When you sold it.

Mr. SWANSON. What did I do with it?

Mr. KENNEDY. Yes.

Mr. SWANSON. I don't know exactly what I done with that check, but my recollection is that I think I took it downstairs, and I think I bought—I probably took from that money, though I don't know whether I did or not, got a check to pay for another piece of land.

Mr. KENNEDY. What was the other piece of land that you purchased?

Mr. SWANSON. What was the other piece of land?

Mr. KENNEDY. What was the other piece of land that you purchased?

Mr. SWANSON. The other piece of land was in San Mateo County.

Mr. KENNEDY. Who owned that land?

Mr. SWANSON. What is his name? Do you mean when I bought it?

Mr. KENNEDY. Yes.

Mr. SWANSON. That piece of land I bought from the union.

Mr. KENNEDY. You bought another piece of property from the union?

Mr. SWANSON. For exactly what they paid.

Mr. KENNEDY. Exactly what they paid for it?

Mr. SWANSON. Yes.

Mr. KENNEDY. Who did they purchase it from?

Mr. SWANSON. Sir?

Mr. KENNEDY. From whom had they purchased it?

Mr. SWANSON. I am not sure. I think it was from a party by the name of Lowry. I am not sure.

Mr. KENNEDY. Don't you know it was public-utilities land?

Mr. SWANSON. It wasn't public-utilities land then. It had been.

Mr. KENNEDY. You did not know that? You did not know that that piece of property——

Mr. SWANSON. It wasn't public-utilities land then.

Mr. KENNEDY. Were you on the public-utilities commission?

Mr. SWANSON. I was on the public-utilities commission for 8 years.

Mr. KENNEDY. Did the union buy a piece of property in conjunction with others? Did they buy a piece of property from the public-utilities commission?

Mr. SWANSON. No, sir; not that I know of.

Mr. KENNEDY. They did not? You don't know anything about that?

Mr. SWANSON. That is correct.

Mr. KENNEDY. And your son did not pay the taxes, the Marshall Development Co. did not pay the taxes on this piece of land while it was being held by the union?

Mr. SWANSON. Not that I know of.

Mr. KENNEDY. We have had testimony before the committee by an official of the union who said that this piece of property was purchased from the public-utilities commission for you, because you could not purchase the property directly.

Mr. SWANSON. That is not true.

Mr. KENNEDY. That is untrue?

Mr. SWANSON. Because I did not buy it from the public-utilities commission. I bought the piece of property from the union for exactly what they paid.

Mr. KENNEDY. And they said that because you were on the public-utilities commission, you could not buy this property directly——

Mr. SWANSON. No.

Mr. KENNEDY. Wait a minute. So you had them buy it, hold it, and then you purchased it from them for the exact same price that they paid for it.

Mr. SWANSON. I could have bought the property from the same people the union bought, but the union at that time was contemplating building a branch office. They, after they had the property——

Mr. KENNEDY. They were going to build a branch there?

Mr. SWANSON. A branch. Can I finish my statement? I would appreciate it if I can.

Mr. KENNEDY. Yes.

Mr. SWANSON. They criticized me for having recommended to buy it. I said, "Well, if that is the case, I will buy it from you at exactly the same price." With the check that I paid for that was a statement that they have in the office that if they desire to build on that piece of property within 2 years, they can buy it back for exactly what I paid for it, and that is attached to the check.

Mr. KENNEDY. You did recommend that they purchase it then?

Mr. SWANSON. In the beginning I recommended because I thought it was a good buy, and it cost—I think it was about \$11,000 that we paid for it. It cost that much to fill it. It is about 2 feet under water most of the time. We call it the hole in the ground.

Mr. KENNEDY. Did you recommend that they build an office there?

Mr. SWANSON. I thought it was the proper thing to do.

Mr. KENNEDY. With 2 feet of water?

Mr. SWANSON. No. They would have to fill it.

Mr. KENNEDY. They would have to fill it for another \$11,000?

Mr. SWANSON. Well, it was a good buy at that, in my opinion.

Mr. KENNEDY. Then you took the property off their hands?

Mr. SWANSON. Yes. This board found fault with me, and they said, "What do you recommend that for?" I said, "What are you crying for? I will pay for it exactly what the union paid for it, with the understanding that you can buy it back in 2 years," and there is 6 months yet to go, if they want to buy it.

Mr. KENNEDY. Hadn't this originally been public-utility land, sold by the city?

Mr. SWANSON. I think the original owner—well, I think it was Mr. Lowry, if I am not mistaken, that bought the land first. He bought it at an auction.

Mr. KENNEDY. From the public-utilities commission?

Mr. SWANSON. From the public-utilities commission.

Mr. KENNEDY. You were on the public-utilities commission?

Mr. SWANSON. Yes. He was a public citizen. We sold thousands of pieces.

Mr. KENNEDY. He bought it jointly with your union?

Mr. SWANSON. He didn't buy it jointly with the union. He bought it himself with an attorney.

Mr. KENNEDY. They put up money at the same time—Mr. Swanson, you explain it. How long did Mr. Lowry own it?

Mr. SWANSON. The union bought it from them for the purpose of building a branch building.

Mr. KENNEDY. You tell the committee, when did Mr. Lowry buy that piece of property?

(The witness conferred with his counsel.)

Mr. SWANSON. Well, I think you better look at the records. I don't remember. They will show exactly.

Mr. KENNEDY. They never did, Mr. Swanson.

Mr. SWANSON. What?

Mr. KENNEDY. They never did, Mr. Swanson?

(The witness conferred with his counsel.)

Mr. SWANSON. Can I ask the name of that attorney from my son over here?

The CHAIRMAN. Yes.

Mr. KENNEDY. It is Mr. Vucinish. Vladimir Vucinish.

Mr. SWANSON. That is the fellow. I don't remember the names.

Mr. KENNEDY. Can we ask Mr. Salinger to recite what the records show?

The CHAIRMAN. Mr. Salinger, you may testify from where you are sitting. Testify loud enough over the microphone so that the witness can hear you, if he wants to make corrections.

TESTIMONY OF PIERRE S. SALINGER—Resumed

Mr. SALINGER. This is a piece of land which was owned by the San Francisco Water Department. It was declared surplus and it was ordered to be sold by the San Francisco Public Utilities Commission in 1952. At that time, Mr. Swanson was a member of the commission, and was present at the meeting when they declared it surplus.

Mr. SWANSON. That is correct.

Mr. SALINGER. In 1955, the parcel of land was sold to a San Francisco attorney, Vladimir Vucinish. He actually bought it for 3 people, 1, the Operating Engineers' Union, Local No. 3; 2, a realty company; and, 3, a client of his who turned around and leased their part of it to the Lowry Paving Co.

The Lowry Paving Co. does not now own any part of that parcel, but they have an option to buy it within 5 years of the original purchase from this particular client of Mr. Vucinish. That is the history of that particular piece of land.

Mr. KENNEDY. What happened so far as the Operating Engineers are concerned?

Mr. SALINGER. The Operating Engineers Union bought the land on February 5, 1955, and they held it until October 15, 1956. During that time, there were two tax payments made on the land. One was made by the union, and a second tax payment was made by the Marshall Development Co., and the union reimbursed the Marshall Development Co. With the original price and these two tax payments, Mr. Swanson purchased this piece of land on October 15, 1956, for \$11,318.06, with a cashier's check which he purchased from the \$17,000 he received from the sale of parcel No. 3 of the Stockton property.

TESTIMONY OF VICTOR S. SWANSON—Resumed

Mr. SWANSON. I have no knowledge of the Marshall Development Co. paying any tax.

He is here. You better ask him.

Mr. KENNEDY. The record will speak for itself. Your answer speaks for itself.

Mr. SWANSON. That is all right.

Mr. KENNEDY. Now I want to ask you about another matter that has been testified to before the committee, and that is regarding the \$10,000 to fight the "construction stiff's."

Senator MUNDT. Before you go into that, Mr. Counsel, I have one more question. Do I understand, Mr. Swanson, that the union holds an option from you to purchase this property back for the amount that you paid for it, which was \$11,000, plus 2 tax payments?

Mr. SWANSON. That is correct.

Senator MUNDT. And the option is still effective?

Mr. SWANSON. It was 2 years from after the time that I paid for it, in the event that they want to build a branch office there, and if the union will produce the records—they have them because it was attached to the check.

Senator MUNDT. Let me inquire from Mr. Salinger whether he came across that record.

Mr. SALINGER. We have not found such option.

Senator MUNDT. Who would have the custody of that option? Where could we find it? This is rather important to you, to confirm your statement, if it can be confirmed. Where would that option be?

Mr. SWANSON. The option should be attached to the canceled check in that office. However, I have a copy of it and can get it. I have a copy of it, exactly.

Senator MUNDT. Would you supply that to the committee?

Mr. SWANSON. I will be very happy to do it. I think we probably have it with us here. If we haven't—yes; here it is.

This is an exact duplicate copy which was attached.

(The document was handed to the committee.)

The CHAIRMAN. This copy may be made exhibit 71.

(Document referred to was marked "Exhibit No. 71" for reference and will be found in the appendix on p. 7912.)

Senator MUNDT. Mr. Chairman, this is dated November 15, 1956. Ostensibly it is signed by Victor S. Swanson, this just being a copy without a signature.

To the executive board of local union No. 3

On February 5, 1955, local union No. 3 bought a piece of land in San Mateo County, through the California & Pacific Title Co., for approximately \$11,115.20. At that time it was the intention of the executive board to build a branch office on this land. However, shortly after the property was purchased, it was decided that it would cost a great deal more than the original price to fill the land with dirt in order to make it suitable to build on. Since the executive Board felt that it might have been an unwise recommendation on my part to buy this property, and that the union should not build on the said property, I now offer to buy the property myself for exactly the same price as what the union paid, plus taxes, a total of \$11,318.06, with the understanding that I will keep the said property for not less than 2 years, and should the union wish to buy it back for the same purpose it was originally purchased, I will sell it back to the union for exactly the same price I paid, plus taxes, and 4 percent interest on the money I invest.

I think it is rather important that we try to find whether there is in fact such a copy in the files dated the same as this item, because, theoretically, this could have been prepared, of course, yesterday or any other time. We have to get the original document to confirm that this is a valid copy.

Mr. KENNEDY. Senator, could I ask you, looking at that copy, is it an agreement? Is it signed by any officials of the union, showing that they agreed to this?

Senator MUNDT. There are no signatures of any kind on this. At the bottom it says: Fraternally, Victor S. Swanson. That is not signed. There is an E. T. on this. It is supposed to be the stenographer, I presume.

Who is E. T.?

Mr. SWANSON. That is my private secretary who wrote it. She wrote both of them. Ethel Thomasello.

Senator MUNDT. Would she be available if we wanted to call her?

Mr. SWANSON. Yes. I guess she is still in the office. I have not been there for a long time. I believe she is in the office. But she lives in San Francisco. You can contact her.

Senator MUNDT. I think we should contact her in some way to find out, because it cannot be accepted as an exhibit, I presume.

The CHAIRMAN. I made it an exhibit because he has sworn to it. It could be challenged, of course.

Senator MUNDT. This should be important to Mr. Swanson, to find out whether he can confirm it either through the testimony of E. T. or by finding the original document. If the burden of his main theme is correct, if the folks in the office are trying to undermine him, it is conceivable they may have tried to throw that away. You cannot tell.

The CHAIRMAN. All right, Mr. Counsel.

Mr. KENNEDY. We had some testimony before the committee regarding a national check-cashing expedition, where Mr. Vandewark

and Mr. Clancy said they toured the northwestern section of the United States, visiting 5 or 6 cities in order to cash 5 checks, amounting to \$2,000 apiece; that they cashed those checks upon your instructions, returned, and gave you \$9,500, approximately. Is that testimony accurate?

Mr. SWANSON. It is absolutely not accurate. It is a lie.

Mr. KENNEDY. Do you know anything about this \$10,000 check that was split into 5 \$2,000 checks?

Mr. SWANSON. Do you want me to tell you the story? Can I do that? Or do you want me to answer "Yes" or "No"?

Mr. KENNEDY. Tell us.

Mr. SWANSON. This was before the international election. Mr. Clancy and Mr. Vandewark came into my office, and they said we should make a political trip, we should take a political trip, and do what we can to advance it.

I said, "Well, I have no objection."

So they figured out whereabouts they would go. They discussed "How much do you think it will cost?" I said, "We have to know what your political trip will cost." They said, "Well, it will probably cost a couple of thousand." I said, "Tell Mr. Garrett, discuss it with him, and have him make you the checks."

That is all there was to it, unless I look at the record and tell exactly. So they made a trip. They were gone, I think, 8 or 9 days. I am not sure. I think I have it exactly at home, if I have the records.

Then after Mr. Maloney sent his hatchetman, I mean Mr. Moore, after me, to get me, he was in the office, and I went in to see Mr. Garrett. I said, "What is he doing in here?" and he said "He is looking at checks." I said, "Where are all of these checks?" He said, "There is a bunch over there."

So I took them in to my office, and the first thing I seen was five \$2,000 checks. I had never seen them before. So I went in to Mr. Garrett. I said, "How about these checks?" "Well, that is what the boys cashed on that trip."

Well, I got a little ambitious. I took a photostatic copy of the checks, and I found out that they cashed one in San Francisco, \$2,000, and Mr. Clancy cashed one in Butte, another one in Minneapolis, and another one in Denver, and I think the other one in San Francisco.

(At this point, Senator McClellan withdrew from the hearing room.)

Mr. KENNEDY. This is for the five \$2,000 checks; is that right?

Mr. SWANSON. Yes. Can I finish?

Mr. KENNEDY. Yes.

Mr. SWANSON. It will just take me a second.

So I called all of these places. I went in and called a friend by the name of Mr. Sanders, in Butte, Mont. I said, "Did you sign that check that Mr. Clancy cashed there?" He said, "Yes, he come in and he wanted me to go over to the bank with him to get them to cash the check." So he said, "I was with him." I wanted to know what happened to the checks. I said, "Did he spend any money there?" He said, "No, they didn't spend a long enough time here to spend any money. They just wanted to cash checks." So I called another man, Snowshoes we call him, and I said, "Did you see Mr. Clancy and Mr. Vandewark there?" and he said "Yes, they put on a rush act"—

Mr. KENNEDY. Mr. Swanson, they have admitted to all of that. They said they only went to these areas in order to cash the checks. I do not think you have to go through all of that. There is no dispute on that.

Mr. SWANSON. I thought you were interested in knowing what they said.

Mr. KENNEDY. They have admitted all of that. The question is why did you sign all of these five checks?

Mr. SWANSON. I didn't sign them. I didn't know they had been signed for at least 5 weeks.

(At this point, Senator McClellan entered the hearing room.)

Mr. KENNEDY. Is that your signature on them?

Mr. SWANSON. No, sir.

Mr. KENNEDY. It is not?

Mr. SWANSON. It is not my signature. It is a stamp. They had my stamp and so did my secretary.

Mr. KENNEDY. Do you say you never signed these checks?

Mr. SWANSON. I think I signed probably 1 in 20, if you go through them.

Mr. KENNEDY. The rest are all stamped?

Mr. SWANSON. Stamped. My secretary had the stamp, and we wrote approximately 150 checks a week, and there was weeks and weeks when I wasn't even there. I don't think I signed 30 percent of them. That is my honest opinion.

Mr. KENNEDY. These checks all appear to have been signed by a stamp as far as your signature is concerned?

Mr. SWANSON. The ones I looked at were signed by the stamp, and I knew nothing about it until about 5 weeks afterward. I can't exactly testify, but if I look at the record, I can tell you exactly.

Mr. KENNEDY. But you never got that money?

Mr. SWANSON. I never got one cent of it.

Mr. KENNEDY. So Mr. Vandewark's and Mr. Clancy's testimony regarding that is false; is that right?

Mr. SWANSON. I don't know what they testified.

Mr. KENNEDY. They testified that they turned the money over to you.

Mr. SWANSON. That is false.

Mr. KENNEDY. There was \$10,000 that was appropriated to support the pension fund. Do you remember the discussion about the pension fund?

Mr. SWANSON. Fight the pension—

Mr. KENNEDY. No; to support the pension fund, at the convention. It was \$10,000 to support the pension fund.

Mr. SWANSON. Well, there were several—

Mr. KENNEDY. This was to support the pension fund.

Mr. SWANSON. I don't remember to support the pension. That I don't recall. But whatever money was, it was accounted for by the officers. They made statements of what it was to be spent for.

Mr. KENNEDY. For instance, the check was used—well, let me explain what happened.

The check was used to buy cashier's checks for the various employees of the union and for the officers. For you personally there was a check, a cashier's check, for \$4,650, that was purchased with this \$10,000 check, and it was for Victor S. Swanson.

Mr. SWANSON. I would like to see that check. I have no recollection. Could I see that check?

The CHAIRMAN. Yes; you may.

Mr. SWANSON. I have no recollection of the check at all.

The CHAIRMAN. The Chair presents to you a photostatic copy of the check, dated March 23, 1956. It is a cashier's check on the American Trust Co. It is made payable to you in the amount of \$4,650.

(Document handed witness.)

The CHAIRMAN. I will ask you to examine the check and state if you identify it.

(The witness conferred with his counsel.)

Mr. SWANSON. That is my signature, Mr. Chairman, but I wish you would have the records of what it is for. I don't remember exactly what happened at that time. It could have been in connection with what we called the racketeer outfit that we were fighting.

Mr. KENNEDY. That is not it.

(The witness conferred with his counsel.)

Mr. SWANSON. Or it could have been in connection with—was this time the convention?

Mr. KENNEDY. Yes; there was a convention.

Mr. SWANSON. This might have been the convention. I suppose there was about \$70,000 spent in there, wasn't there, if you have the records? I don't know.

I agree that that is my signature.

Mr. KENNEDY. What happened was that you got your regular expenses. Ten thousand dollars—

Mr. SWANSON. Wait a minute. This check wasn't made out by the union.

The CHAIRMAN. It is a cashier's check. You got the money.

Mr. SWANSON. I got the money; yes. But it is probably my own personal check. I don't know until you show the record.

The CHAIRMAN. We have the record here.

Out of the \$10,000 check—first, do you acknowledge that you received that check, do you, that you got the money on it?

Mr. SWANSON. Yes; but let me explain.

The CHAIRMAN. You say that is your signature?

Mr. SWANSON. That is my signature; yes.

The CHAIRMAN. All right. He identifies the check.

That may be made exhibit No. 72.

(Document referred to was marked "Exhibit No. 72" for reference and will be found in the appendix on p. 7913.)

Mr. SWANSON. But this check was not made out by the union. This was my personal check, my money.

The CHAIRMAN. We will see if it is your money.

Now I will present you another check. That first check was dated March 23, 1956. I will hand you another check now in the amount of \$10,000. This is a union check made payable to the American Trust Co. in the amount of \$10,000. It has your name on it.

I will ask you if you signed that one. I ask you to examine it and see if you identify it.

(Document handed witness.)

(The witness conferred with his counsel.)

Mr. SWANSON. Yes; that was made out by the union. As I recollect now—this one was made out before that. The one you just showed me was made out previous.

The CHAIRMAN. What is the one for that is in your hand now?

Mr. SWANSON. I think this had to do with the convention. I think we had about 4 or 5 of these, if I am not mistaken, these checks. Every check that was issued, there was a statement made what it was for, and they have that in the office if they will only produce it. Either they have it in the office or they should have it in the office, if Mr. Carman or these gentlemen did not take them out.

The CHAIRMAN. They should be in the office, of course.

Mr. SWANSON. They should be, but I have no records of the office.

The CHAIRMAN. There should be in the office, of course, a record of these expenditures.

Mr. SWANSON. I wish they would produce that record.

The CHAIRMAN. We have tried to find it. That check may be made exhibit No. 73.

(Document referred to was marked "Exhibit No. 73" for reference and will be found in the appendix on p. 7914.)

Mr. SWANSON. The record was in that office when I left. I showed you gentlemen certain records, and I had that kind of record for every check that was issued in that union for any amount. They have it, if they will produce it.

Mr. KENNEDY. We have verified, Mr. Chairman, that the \$10,000 check was used to purchase that cashier's check, as well as the other cashier's check. That \$10,000 check was marked "To fight in favor of the pension fund."

The CHAIRMAN. Have we established that by your proof in the records?

Mr. SALINGER. This check was made out to the American Trust Co. You will note that the check was made out 2 days before the check on the union. The bank made the check out in advance, and when the union delivered the check, they turned over all of these cashier's checks, which amounted to \$10,000. There were 24 cashier's checks, amounting to \$10,000, and that 1 that Mr. Swanson is holding in his hand is 1 of them. He actually got another one.

Mr. SWANSON. No; I have no recollection of that.

Mr. KENNEDY. We have had some testimony regarding a \$2,400 check cashed in Las Vegas, Nev., made out to cash, and, according to Mr. Vandewark, the cash was turned over to you.

The CHAIRMAN. This check to which counsel has referred is exhibit No. 39. It bears your signature, countersigned by Victor S. Swanson. It is dated December 12, 1955, in the amount of \$2,400, made payable to cash. It is drawn on the account of your union.

Will you examine that check and state if you identify it?

(Document handed witness.)

(The witness conferred with his counsel.)

Mr. SWANSON. This check was cashed in Las Vegas, Nev., by Mr. Lawson, and it was money—there was a convention, or I think it was a Western States conference, and the officers, all together, we took a check with us to pay the expenses there. I think in order to get it paid, Mr. Lawson, who happened to be a business agent for the local 12 there, paid it. It was in Las Vegas.

I don't think I had anything to do with cashing that. I didn't cash it. I didn't cash it.

The CHAIRMAN. All right, did you help issue it?

Mr. SWANSON. Yes; we took that check with us. I don't know who had it. I think it must have been the treasurer.

The CHAIRMAN. Did you get any of the money?

Mr. SWANSON. Well, we have money to spend, and we had 101 things to spend it on at the convention. There were quite a number of people and their wives there.

The CHAIRMAN. Is it not true that you had all of your expenses paid by the union in addition to that check?

Mr. SWANSON. I should say not.

The CHAIRMAN. You say you did not have your expenses paid by the union in addition to that check?

Where did you stay at that convention?

Mr. SWANSON. Let me see. We stayed in Las Vegas.

The CHAIRMAN. At what hotel?

Mr. SWANSON. I cannot remember the name of the hotel.

The CHAIRMAN. Did you ever hear of the Thunderbird Hotel?

Mr. SWANSON. Oh, yes.

The CHAIRMAN. Is that where you stayed?

Mr. SWANSON. I am not sure, but I think that probably is where we stayed.

The CHAIRMAN. Were your expenses paid at the hotel by the union?

Mr. SWANSON. The expenses; yes.

The CHAIRMAN. I just asked you a moment ago if your expenses at the hotel were not paid by the union, in addition to that check. In other words, were not your regular expenses at the hotel there, the Thunderbird Hotel, at the time of that convention, paid by the union aside from that check of \$2,400?

Mr. SWANSON. No; that isn't true. That check as I know, as I see it, and as I understand it, helped to pay the expenses. There were a lot of expenses, there were a big gang of us there.

The CHAIRMAN. Now, we have the hotel bill which was paid by 2 checks, 1 for \$200 and 1 for \$303.90, which are exhibits 40 and 41 to this record. We also have, and made exhibit No. 38, the hotel accounts showing each one's hotel bill at that convention.

Now, the hotel accounts show your bill to be \$45.15, which was included in these 2 checks, 1 for \$200 and 1 for \$303.90. I will ask you to examine those checks, exhibits 40 and 41 and state if you recognize those, and if you countersigned them.

Mr. SWANSON. This as I see it was expenses in addition to that.

The CHAIRMAN. That is what I ask you a while ago, the \$2,400 is in addition to the expenses of the hotel.

Mr. SWANSON. What is that?

These are the checks to the Thunderbird. As I said, it was in addition; yes.

The CHAIRMAN. I thought you said a while ago it was not.

Mr. SWANSON. As I know it, that is what it was. The Secretary should give us an exact account of expenses that were paid there.

The CHAIRMAN. We have the exact account, the hotel bill. We have your hotel bill.

Mr. SWANSON. I mean in addition to the hotel bill. You don't go to Las Vegas on a penny, when you send a whole group of people over there. You had better try it and see.

The CHAIRMAN. I don't know what you spent the \$2,400 for.

Mr. SWANSON. I don't either but it was all figured up, and there was a complete record in the office, if they will produce it, every cent that was paid out. Let them produce the record.

The CHAIRMAN. We have searched the records, and we have not found it.

Mr. SWANSON. But you searched them late. Evidently somebody got in there pretty late.

The CHAIRMAN. I think we all got there a little late. Maybe we could have straightened this out a long time ago.

Now I present you another check dated December 16, 1953, made payable to cash in the amount of \$300. It is a union check, bearing your endorsement, as evidence that you cashed it. Will you examine that check and state if you identify it?

(At this point a document was handed to the witness.)

Mr. SWANSON. This is the Western States conference at Las Vegas. I think that is in 1953.

The CHAIRMAN. Is that the same convention?

Mr. SWANSON. It was a Western States conference.

The CHAIRMAN. The same dates?

Mr. SWANSON. The same thing, yes; that is all right. My memory isn't clear enough what that was for, but it was spent in connection with that convention.

The CHAIRMAN. That is another expense?

Mr. SWANSON. And I ask again that they produce the records and show where these went.

The CHAIRMAN. There are a lot of records that we cannot produce during the time you were handling the thing.

Mr. SWANSON. I produced all of the records that I had in my safe, and they could not get them, but they got the rest of them.

The CHAIRMAN. That will be made exhibit No. 74.

(The document referred to was marked "Exhibit No. 74" for reference and will be found in the appendix on p. 7915.)

Mr. KENNEDY. It was for the expenses of the delegates? Is that what you are saying?

Mr. SWANSON. It would not be for anything else that I know of.

Mr. KENNEDY. Why didn't you make checks out to each one of the delegates and then you would have a record?

Mr. SWANSON. Well, we had a record.

Mr. KENNEDY. You had no record?

Mr. SWANSON. The secretary was supposed to make a complete record when we came back, and we made a record up exactly what it was.

Mr. KENNEDY. The easy way to do it, and the sure way to do it, to insure it was being done, would be to make out a check and see that somebody was not stealing the money or using it for purposes of gambling in Las Vegas.

If you just needed some extra cash, to insure that was not done you could make checks out to everybody?

Mr. SWANSON. At that time I did not think we had any crooks in the union and I will be telling you the truth.

Mr. KENNEDY. I thought you had been fighting them all of these years?

Mr. SWANSON. I had not been fighting the members in the union, the officers. I never fought the officers. The delegates were the officers and I did not know we had any crooks in the union at that time.

Mr. KENNEDY. Do you think that you have some now?

Mr. SWANSON. I know it.

The CHAIRMAN. I think that we all agreed on that. Let us proceed.

Mr. KENNEDY. Did you gamble yourself there in Las Vegas?

Mr. SWANSON. I always gamble a little bit when I go to these places.

Mr. KENNEDY. And at the racetrack, do you go there?

Mr. SWANSON. I go to the racetrack once in a while, and if I did not I would be dead. I sat at my desk with 3 telephones and they rang 24 hours a day and if I had not got away from there once in a while I would have been dead a long time ago.

Mr. KENNEDY. Do you know William Kyne?

Mr. SWANSON. He is dead.

Mr. KENNEDY. Did you know him?

Mr. SWANSON. Yes, sir.

Mr. KENNEDY. What was his position?

Mr. SWANSON. I think he was manager of the Bay Meadows track, and he died last year.

He was at Bay Meadows, and he never was at Tanforan. I probably should not talk about this. Mr. William Kyne, he owned Bay Meadows track, and some eastern party owned Tanforan, as I know it.

The CHAIRMAN. We have another check here that has been made exhibit No. 57 in this record, dated November 7, 1950, in the amount of \$2,500, payable to cash. It is countersigned by you, and it is charged here for general organizing, and it is endorsed by William Kyne.

I present this check to you, and ask you if you can give us any explanation of that \$2,500?

(At this point a document was handed to the witness.)

Mr. SWANSON. I could not make any explanation for Mr. Kyne cashing any check, and I have no recollection of Mr. Kyne ever cashing any check. If he has, I would like to have you go through all of the records and find out, because I knew him for 40 years, and I never knew when Mr. Kyne cashed a check.

The CHAIRMAN. What were you organizing down there, when that check was issued?

Mr. SWANSON. I don't know of any organizing at that time that I remember now. There might have been organizing in Eureka, but I have no knowledge of that check being used for Mr. Kyne's signature.

Again I would refer you to the records.

The CHAIRMAN. Were you buying box seats down there at the race-track at that time, out of union funds?

Mr. SWANSON. No; I bought, personally, I think, 1 or 2 box seats, and we used to have people come into the office and they would go down there.

I don't know if I bought any there, but I bought one at Tanforan, there.

The CHAIRMAN. What is that?

Mr. SWANSON. At Tanforan.

The CHAIRMAN. Did the union buy any at Tanforan?

Mr. SWANSON. I think it was my check that bought it when I was there. But if they did buy it, they were authorized to buy it because it was to create friendship with people that came in, and I can't tell exactly, but that probably happened.

The CHAIRMAN. We have 2 checks here that have been made exhibits, 1 for 1950, and 1 for 1951, obviously for box seats at the race-track at Tanforan. Now, you said that the union did not buy them?

Mr. SWANSON. I did not say that, and they might have authorized it, but I have no recollection of them buying it. I know I bought one or two myself with my own money.

Mr. KENNEDY. Just on the \$2,400 in Las Vegas, if you have no explanation on the William Kyne thing, on the \$2,400 in Las Vegas, was that cash turned over to you?

Mr. SWANSON. I could not answer that. I probably got the money but it was distributed between the officers as they needed to pay bills that they owed. That is the only recollection I have.

If I could only get the statements or the records, we would know exactly who got it.

Mr. KENNEDY. Let me go on to another matter. Mr. Vandewark said in a car-purchase deal, and you are familiar with this, that \$21,000 of union funds were used to purchase supposedly 7 cars. Actually 8 cars were purchased with the \$21,000, and on your instructions he turned over \$2,477 in cash to you to pay for the car he purchased as a birthday present for his son.

Did you receive that \$2,477 from him?

Mr. SWANSON. He did not turn over 1 cent to me.

Mr. KENNEDY. Did you know that he was receiving a car out of this car-purchase deal?

Mr. SWANSON. I knew that he said he was going to buy a car for his son, and I believe he did, and he went and got a car. Have you got that record?

Mr. KENNEDY. Did you know that union funds were going to be used to make that purchase?

Mr. SWANSON. I don't know anything wrong with that deal. I think it was absolutely legitimate so far as I know.

Mr. KENNEDY. Did you know he was going to use union funds to purchase the car?

Mr. SWANSON. I don't believe he did. I don't know if he did or not. But he did not give me any money, and it was my opinion he paid the union.

Mr. KENNEDY. This is what happened: He used \$21,000 of union funds to purchase 8 cars.

Mr. SWANSON. Look up the record and see what it was for.

Mr. KENNEDY. I am telling you what it is for.

The CHAIRMAN. It is already sworn to, and we can show it to you.

Mr. KENNEDY. It was \$21,000 of union funds used to purchase 8 automobiles. Do you have it so far?

Mr. SWANSON. Yes, was there anything wrong with that?

Mr. KENNEDY. But the union only got seven. Do you see anything wrong yet?

Mr. SWANSON. I don't know about that, because if I could see the records I could probably explain it to you exactly what it is. Will you give me the records of it?

Mr. KENNEDY. You wrote a letter saying that you were aware of the fact that there were going to be seven cars purchased for the union, and an eighth car which was to be purchased for Mr. Vandewark personally.

Mr. SWANSON. What I recollect, Mr. Kennedy, is that we bought 7 cars and the licenses differed in 3 States, and we got an awful good buy. Mr. Vandewark told me that he went to this firm in Salt Lake and because we had been good customers, he gave him an awful break, and that is all I know.

Mr. KENNEDY. Do you know if he paid for his own car?

Mr. SWANSON. I don't know.

Mr. KENNEDY. You don't know?

Mr. SWANSON. No, and I assume he did.

Mr. KENNEDY. Did he pay you for the automobile?

Mr. SWANSON. He did not pay me a cent.

Mr. KENNEDY. He says that the union funds were used to purchase the automobile for himself and the other 7 automobiles, but that he paid you back personally \$2,477 for the automobile. Is that correct?

Mr. SWANSON. That is not correct.

Mr. KENNEDY. And that if the money was not returned to the union, it was your responsibility, that he had turned the money over to you?

Mr. SWANSON. I don't know what he is talking about. He did not turn any money over to me.

Mr. KENNEDY. So his testimony when he states that he turned this money over to you is incorrect, is that right?

Mr. SWANSON. As far as the money is concerned, it was.

Mr. KENNEDY. Now, what about the boat?

Senator MUNDT. If we are going on a new topic, Mr. Counsel, I would like to ask a question or two about this option. We are talking about the option that you have here of November 15, 1956.

Mr. SWANSON. Yes, that is the option right there.

Senator MUNDT. And you told me that Ethel Thomasello wrote it.

Mr. SWANSON. Yes, sir.

Senator MUNDT. Is she your personal secretary?

Mr. SWANSON. She has been my personal secretary for many years.

Senator MUNDT. For many years?

Mr. SWANSON. For many years.

Senator MUNDT. Is she a reliable person?

Mr. SWANSON. Well, I don't think that I would have anybody but what I thought she was reliable.

Senator MUNDT. At least for 20 years?

Mr. SWANSON. I practically raised her.

Senator MUNDT. You practically raised her?

Mr. SWANSON. She came there a very young girl and I thought she did a wonderful job.

Senator MUNDT. She was at least friendly to you, and she was not unfriendly to you?

Mr. SWANSON. Yes, I would say that. I think everybody was friendly as far as I know, then.

Senator MUNDT. I just talked to Ethel Thomasello on the telephone. She agrees that you dictated this option to her.

Mr. SWANSON. Yes, that is right.

Senator MUNDT. Do you recall when you dictated it to her?

Mr. SWANSON. No, I don't remember exactly.

Senator MUNDT. At the heading it says on top of here, "November 15, 1956." Is that when you dictated it or is that just some date?

Mr. SWANSON. I don't remember, but I made it my business to attach one of these to the warrant in the office. Whether they have it there or not, I don't know.

Senator MUNDT. When was the warrant made out?

Mr. SWANSON. I don't know. I can't recall exactly. Ethel wrote that because I see her initials on there, and that is all I remember.

Senator MUNDT. Did she write it on the date that you gave it to her?

Mr. SWANSON. When she wrote what? That I don't know; we had sometimes 500 letters in a day and so I can't recall all of that.

Senator MUNDT. I must confess that you have me badly confused. This is dated November 15, 1956.

Mr. SWANSON. I don't know.

Senator MUNDT. I just talked to Ethel Tomasello and I said, "Did you make out this option?" and she said, "Yes," and I said, "And was it dictated by Mr. Swanson?" and she said, "Yes, but he dictated it to me on May 14, 1957."

You have on here, "Option of November 15, 1956." There is 6 months difference.

Mr. SWANSON. May I ask a question? When was that signed?

Senator MUNDT. Mine isn't signed.

Mr. SWANSON. What is the date?

Senator MUNDT. The date you have on yours, that Mr. Scott gave you and you gave me, is "November 15, 1956."

Mr. SWANSON. Well, I suppose that is when she wrote it.

Senator MUNDT. She could not write it then when you dictated on May 15, 1957.

Mr. SWANSON. I don't know what she said and I only know what I say.

Senator MUNDT. We are trying to get all of these things that different people say together.

Mr. SWANSON. I can't help that. I can only talk for myself.

Senator MUNDT. I want to find out, are you telling me that you dictated it on November 15, 1956?

Mr. SWANSON. I don't remember those dates very well. I would say that whatever date is on it was the time she wrote it. That is the only thing I can say.

Senator MUNDT. Would you say this under oath and let me ask you this question under oath: Would you tell the committee that whatever date it was that you dictated it, is the date that you told her to put at the top of the option?

Mr. SWANSON. The only thing I know, I had it written and attached. That is all I know.

Senator MUNDT. There is no question about it being written and the question is, did you tell her to change the date or did you tell her to put the date on that as you dictated it?

Mr. SWANSON. I never told her to change any date at all in my life because I never told her to do anything but what was right, and she will tell you that if you call her up.

Senator MUNDT. I have talked with her and I just got through talking with her on the phone because I thought she would be able to substantiate your option. Instead of that it has created a great cloud on this option because I asked her if she remembered what date it was dictated and she said, "Yes," and she kept a copy of it so there is a copy in her possession and it was dictated on May 17, 1957.

She said you asked her to put the date on as of November 15, 1956. That is why it shows here. Why did you ask her to back date it for 6 months?

Mr. SWANSON. Could I ask a question of Senator Mundt: What difference did it make as long as it was given to the union? This is a foolish question probably, but I ask those questions. What difference does that make when it was written, as long as the union has it?

Senator MUNDT. That was going to depend, of course, a little bit on whether or not the union ever got a copy of this. A lot of other factors are involved, but at least it is a curious way to dictate an option and say, "Backdate it for 6 months." If you have a reasonable explanation, maybe it does not make any difference, and I do not know, and I am asking you.

It is your option and I am trying to help you verify the fact that it is a legitimate option.

Mr. SWANSON. In my mind, it was written on the date that is on it. That is all I know, and I don't know what she said or what it is, but that is my opinion.

Senator MUNDT. She is preparing an affidavit stating that what she told me on the telephone was true and swearing to it and she said that she was given it on May 14, 1957, and you asked her to back date it to November 15, 1956.

I asked why and she said, "You will have to ask Mr. Swanson." So I do not know.

(Affidavit obtained from Ethel Tomasello was ordered printed in the record and is as follows:)

SAN FRANCISCO, CALIF.

January 23, 1958.

I, Ethel Tomasello, make the following statement voluntarily to Charles A. Smith, Jr., who has identified himself as a representative of the United States General Accounting Office.

On May 14, 1957, Mr. Swanson did dictate to me, and I did type, a letter dated November 15, 1956. (Carbon copy attached to this paper.)

The carbon copy attached, I made for my personal files, making a notation in ink that the letter had been dictated on May 14, 1957. I kept this copy because I had misgivings concerning the discrepancy in dates.

Mr. Swanson assured me that the contents of the letter were true, that this actually happened, and that he wanted the letter on file for his own protection.

ETHEL TOMASELLO.

I have read the foregoing statement consisting of 1 page, which I have signed, and it is true and correct to the best of my knowledge and belief.

ETHEL TOMASELLO.

Subscribed and sworn to before me, Charles A. Smith, Jr., supervisory auditor, General Accounting Office, under authority of section 297, Revised Statutes, as amended by sections 304 and 311 (e) of the Budget and Accounting Act, 1921, this 23d day of January 1958, at 3:40 p. m.

CHARLES A. SMITH, Jr.,
General Accounting Office.

Mr. SWANSON. I am not sure. I would not want to say whether I did or not. My memory is not that good.

Senator MUNDT. Let us assume, Mr. Swanson, that she has told the truth because I think that she has. You said she is reliable and you said she is a friend of yours, and she verifies your testimony that she did type the option, and so I assume she is telling the truth when you said you asked her to back date it. I want to know why would you ask her to back date it for 6 months.

Was there something occurring in connection with your union activities that this suddenly became important to you, or what reason was there?

Mr. SWANSON. I think she is reliable, and I have no recollection of exactly what that was. I told you a minute ago, Mr. Senator, that we got 500 letters, and there were days when we got that many in and I could not remember exactly what she did all of the time.

Senator MUNDT. We get 500 letters some days in my office but we never get 6 months behind in our correspondence.

Mr. SWANSON. I don't know.

Mr. SCOTT. What was the date of the purchase of that land? Is that the November date?

Senator MUNDT. On February 5, 1955, Mr. Scott, it says, "Local union No. 3 bought a piece of land in San Mateo County."

Mr. KENNEDY. I think that he purchased it back from the union in October of 1956.

Senator MUNDT. He purchased it back from the union in October?

Mr. SCOTT. And this is November of 1956?

Senator MUNDT. That would be about a month after the purchase.

Mr. KENNEDY. And the auditors were coming in in May.

Mr. SWANSON. I have no recollection of that. I have told you everything that I know about it, and since I don't remember exactly, I cannot state.

Senator MUNDT. Is it possible, Mr. Swanson, that the fact that Mr. Maloney was sending his auditors in in May might have had some bearing on the fact that this could have been dictated on the 14th of May?

Mr. SWANSON. I don't think so at that time; I don't think so. So far as I was concerned, it had no effect on it. The argument was there that we had meetings and they were all executive board meetings and they were executive officers, and we discussed those things, and they said, "Do you recommend we buy that ground?" and they call it "the holding ground," and I said, "If the union does not want it I will pay you what you paid for it." And so then I found out what it cost to fill it. I went to Mr. Lowry and he is a contractor and said, "What would it cost to fill that?"

"Well," he said, "it will cost between \$11,000 and \$13,000 to put it up and fill it." So I told the board, and I said, "While you paid this much, you are going to have to pay more before you can build a building." And they said, "Well, we don't want to branch off so close by."

"Since it is a good place," I said, "well, I will buy it and pay you exactly what you paid for it." And that is the whole story. Then I did say, "Well, if you want to buy it back and use it for a building or a branch office, you have 2 years to build," because at that time I didn't

feel I wanted to spend money to fill it in or fill it up, and it is under water sometimes during the rainy season and that is my story.

Senator MUNDT. Up to a certain point, it makes a lot of sense, but you would have a lot more persuasiveness in this so-called option which is really an offer to sell rather than an option because it has no legal bearing, but it substantiates your story up to the point where you confuse us by having two different dates.

I do not see why, unless there is some significance to it, that you would dictate an option or an offer to sell on the 14th of May and ask your secretary to backdate it to the 15th of November 1956.

I think that you should find us some answer to that situation.

Mr. KENNEDY. I just have a couple of other things that I would like to cover with you, Mr. Swanson.

As to the balloting that was done for the general election in 1956, according to the testimony before the committee the ballots were taken up to a cabin that was owned by the union. Approximately 500 of about 2,000 to 3,000 votes were counted and you said then, "There is no need to count any more." The ballots were turned over to you and the result was that the election or official tally sheet for your local No. 3 shows that some of those running for office got as many as 16,000 votes.

Can you explain that?

Mr. SWANSON. I think that I can. I will try to explain it, Mr. Kennedy.

First of all, may I tell you the whole story?

Mr. KENNEDY. Just on the facts that we are discussing here.

First, did you get the ballots?

Mr. SWANSON. I never had the ballots, for your information.

Mr. KENNEDY. Then Mr. Garrett did not turn over the ballots to you?

Mr. SWANSON. He didn't turn any ballots over to me. Let me say. It will take a second.

A committee of three was elected by the union to handle all the ballots, and it involved a lot of ballots. So about that time, Mr. Carman, who represented Mr. Maloney, the main representative, was campaigning up and down the State telling all the locals that were in favor of Mr. Maloney to cast all their votes, everything.

In the rear of the hall is local 39, with a membership of 2,700, approximately. They cast 800 votes, I was told by the auditing committee, but they were told to send in the 2,700.

We took this up in our executive board, and the officers should have told you that we discussed that matter, that the only way to offset the way they were handling it was to cast our votes as a percentage.

In other words, I don't know how many ballots they counted, and I never had the ballots. I did have the tally sheets, which I showed Mr. Salinger, but he said he had them so he didn't want to see them; is that correct?

Mr. KENNEDY. That is all right.

Mr. SWANSON. So we discussed with them, and they said, "Well, you count them by a percentage so they don't outvote local 3."

Mr. KENNEDY. That is what you did?

Mr. SWANSON. I don't know. That is what they were asked to do. I never saw the ballots.

Mr. KENNEDY. Who made the decision to count the votes in the manner you have described?

Mr. SWANSON. They did themselves.

Mr. KENNEDY. Who is "themselves"?

Mr. SWANSON. Nobody but the committee can.

Mr. KENNEDY. Who is the committee?

Mr. SWANSON. The committee was Mr. Bordman, Mr. Metz, and Mr. Garrett, who I understand is here—I seen him. I think he was elected the chairman by the board. Nobody else had anything to do with them. Nobody else ever touched the ballot boxes.

Mr. KENNEDY. They are the ones who decided that when only two or three thousand votes were cast—

Mr. SWANSON. Oh, no. You said two or three thousand? I think there were 8,000. Well, they told me, I think, that there was about 8,000, or something like that. But I never saw the ballots.

Mr. KENNEDY. How did Mr. Turner get 16,000 votes?

Mr. SWANSON. A percentage.

Mr. KENNEDY. What do you mean, a percentage?

You just figured out how many he should get if everybody voted?

Mr. SWANSON. I was told that they counted the ballots, two or three thousand. That is what I was told by the committee. And then they percentage them out the approximate number of the organization, to offset some of these men that Maloney sent up and down the State, telling them how to vote.

Mr. KENNEDY. You felt, and the committee felt, that under Maloney's direction, the other locals were stuffing the ballot boxes?

Mr. SWANSON. No; they were casting ballots that had not come in.

Mr. KENNEDY. Well, that is stuffing the ballot boxes.

Mr. SWANSON. That is probably it.

Mr. KENNEDY. You felt the only way to combat that—

Mr. SWANSON. I didn't. That was the committee.

Mr. KENNEDY. Wait a moment. The only way to combat that, your group thought, was to stuff the ballot boxes, too?

Mr. SWANSON. That is correct.

Mr. KENNEDY. So they were stuffed?

Mr. SWANSON. I don't know what was done, but so far as the ballots, they handled that.

Mr. KENNEDY. You were satisfied with the way they handled it?

Mr. SWANSON. I don't see how else it could be.

(At this point, Senator Goldwater withdrew from the hearing room.)

Mr. KENNEDY. But this election result, this tally, is not correct, is it?

Mr. SWANSON. The board will have to say that. I never saw the ballots.

Mr. KENNEDY. You never saw the ballots?

Mr. SWANSON. No; I never had anything to do with the ballots.

Mr. KENNEDY. Did you go up with them to the cabin?

Mr. SWANSON. I was up there. There were 5 or 6 of us up there.

Mr. KENNEDY. You were up there with the ballots; were you not?

Mr. SWANSON. They probably had the ballots in the car, but I wasn't in where they counted them. I was in another house two blocks, or there is a house between. I was in another cabin entirely.

Mr. KENNEDY. You mean you went up there at the same time they went up?

Mr. SWANSON. I think I showed them the way up. I don't think any of them had been up there before. I don't remember exactly how the car went up there, but I know that.

Mr. KENNEDY. How did they happen to decide to go up to the cabin?

Mr. SWANSON. Don't ask me. They wanted to see the cabin, I guess.

Mr. KENNEDY. So you went up there to direct them?

Mr. SWANSON. I am not exactly sure, but I think I went to Reno that night. I will have to look up my records. But my private opinion is that I wasn't there.

The CHAIRMAN. What was the necessity of taking ballots 140 miles away to count them?

Mr. SWANSON. The committee will have to answer that question.

The CHAIRMAN. They say you directed them to take the ballots up there.

Mr. SWANSON. I didn't direct them to do anything.

The CHAIRMAN. Did you order them to do it?

Mr. SWANSON. I couldn't direct anybody on how to count ballots. It isn't within my power to do that. That is strictly their business. They had been elected by the members to do it, and that is their job.

The CHAIRMAN. They all testified that you directed that it be done that way.

Mr. SWANSON. I can't help it. You only had one of them here.

The CHAIRMAN. That isn't all they testified to.

They said you were the boss of the union, and they had to do what you told them to do or lose their jobs.

Mr. SWANSON. I heard that.

The CHAIRMAN. How about that?

Mr. SWANSON. Well, I think—what is the question? The boss?

The CHAIRMAN. Yes. Were you the boss?

Mr. SWANSON. Senator McClellan, you can take every drop of blood in my veins and you will not find one for a dictatorship. You won't find one drop.

The CHAIRMAN. That is a pretty strong statement in view of all of the evidence and the oaths that have been taken here.

Mr. SWANSON. I appreciate that.

The CHAIRMAN. Well, somebody in this whole thing, and maybe more than one, is simply coming here and perjuring themselves black in the face.

You know that, do you not?

Mr. SWANSON. I think, Senator McClellan—

The CHAIRMAN. This couldn't be a misunderstanding. Somebody is willfully, deliberately, perjuring themselves in the testimony they are giving here on these controversial issues between you and them.

Do you agree?

Mr. SWANSON. I presume they are. I wasn't in here when they done the talking, but I heard about it.

Mr. KENNEDY. Mr. Chairman, so far in 10 major areas that we have gone into, there have been 31 conflicting stories, according to a rough estimate by the staff.

The CHAIRMAN. We may be making a new record.

How much further do we have to go?

Senator MUNDT. Are you telling us now, Mr. Swanson, that you went up to the cabin——

Mr. SWANSON. Yes, I went up to the cabin.

Senator MUNDT. With 3 or 4 other officers of the union?

Mr. SWANSON. I think there were 4 or 5. I don't know.

Senator MUNDT. I think they testified to four, but that is a minor discrepancy. They testify that they went up there with you, and together you counted about 500 ballots, and then they decided to make an estimate, percentage them out, as you say, and then when they got back, they decided to project that percentage to include the whole 17,000 members.

Are you telling us that you had no part to play in that whatsoever? (The witness conferred with his counsel.)

Mr. SWANSON. I didn't tell that committee. I have no recollection of telling the committee how they should count the ballots.

In years gone by, they have elected committees and that was their job. If I was to tell them how to do it, a lot of members would criticize me.

Senator MUNDT. Did you see them counting the ballots in the cabin that night?

Mr. SWANSON. I saw them counting some ballots; yes, sir.

Senator MUNDT. All right.

What did they tell you, then, about this balloting that they were counting? What did they report to you?

You watched them count. You were not one of the counters. You had a committee for that. But they must have told you something. What did they tell you?

Mr. SWANSON. I have no recollection of a conversation in there. I was staying at another cabin, and they had coffee and beeksteak, they had all kinds of stuff to eat. We would go over there and eat, and then the other party and I would go over to the other place.

I am not sure, and I don't want to testify to that, but I think the record will show that I, at least, went to Reno.

Senator MUNDT. Let me ask you this question, in an effort to be helpful. I tried to be helpful on the option deal. I do not know whether I helped you or hurt you, but I wanted to get the facts. Let me ask you this, now, in an effort to be helpful.

Four or five of you were up to the cabin, is that right?

Mr. SWANSON. That is correct.

Senator MUNDT. Can you give us the name of any one of them who will substantiate your statement about this balloting?

Mr. SWANSON. I don't know what they will say. I will give you the names of the people that were there, but I never testify for anybody else. I let them do that themselves.

Senator MUNDT. It would be kind of strange, would it not, if they all say one thing and you say something else?

Mr. SWANSON. I don't know how powerful the machine is directing that game.

Do you know what I am talking about?

Senator MUNDT. I do not believe I do.

Mr. SWANSON. When they reach out and they say, "You do what we tell you, or you will be fired tomorrow." That is when they become pretty powerful. That is exactly what happened there now. They became powerful.

Senator MUNDT. You agree with the witnesses on that, Mr. Swanson, except one thing. They say they were intimidated, but they claim you were the fellow that intimidated them.

Mr. SWANSON. They probably were instructed to say that. I don't know. The man holds and directs their jobs. That is their lifework, many of them.

Senator MUNDT. Who are you talking about?

Mr. SWANSON. I am talking about the officers, the business agent of local 3 today. That is under the dominion of Mr. Maloney. He has his man there, Mr. Carman, and the first man that says a word, he is canned and fired, if he don't do what he tells him.

Send a man out to San Francisco and you can check that.

Senator MUNDT. There is a man by the name of Mr. Carman, who, under the direction of Mr. Maloney, pushes these men around in doing their jobs; is that correct?

Mr. SWANSON. That is correct.

Senator MUNDT. What is his first name?

Mr. SWANSON. Red Carman, I think.

Senator MUNDT. Is it Newell J. Carman?

Mr. SWANSON. Carman is the man that took my place. Maloney, when he railroaded me out, he gives the place to him.

Senator MUNDT. Was Mr. Carman elected by the members or was he appointed by Mr. Maloney?

Mr. SWANSON. He was appointed by Maloney to take my place as the manager of the organization.

Senator MUNDT. And he retained the same subordinate officers that you had?

Mr. SWANSON. So far, he got rid of Mr. Doran. That is the only one he fired that I know of. But the rest of them are walking on thin ice, very, very thin ice, and they are told for.

Senator MUNDT. Mr. Garrett used to work for you, and now he works for the other fellow; is that right?

Mr. SWANSON. In the beginning, I was the one that hired Mr. Carman and recommended him to get the job, years ago. In the course of years, he was a direct representative of Maloney and did his bidding until he got in.

Senator MUNDT. Okay. I was just trying to find out what is happening.

Is Mr. Carman going to be a witness?

Mr. KENNEDY. Mr. Carman has been very cooperative in our investigation. It was Mr. Carman who went out there and, I believe, at least found initially this Stockton land transaction as well as certain of these other matters, and uncovered them. He was not there while this was going on. He went out to investigate it. He has been very cooperative with us.

Senator MUNDT. Of course, we are confronted with this kind of hypothesis, as I see it.

Mr. Swanson alleges that all of this is a frameup, negotiated by Maloney, and by Carman, planned by Maloney and executed by Carman. If the hypothesis is correct, of course, he would be as cooperative as possible in trying to put the fix on Mr. Swanson.

If the hypothesis is wrong, then certainly Mr. Swanson is deeply dyed in perjury this afternoon. I am trying to find out what is what.

Mr. Swanson, you seem to be standing alone, as far as any witnesses are concerned. Are there not some people in your union that you worked with for 20 years who are sufficiently brave and courageous and candid and free so that they can come down here and testify to support your statements?

Mr. SCOTT. We did not subpoena the people here.

Senator MUNDT. We will be glad to subpoena them, if you have witnesses who will cooperate. We are trying to find out the facts.

(The witness conferred with his counsel.)

Mr. SWANSON. I think out of the 22,000, I could bring you at least the 20,000.

Senator MUNDT. We do not need quite that many. This committee, Mr. Swanson—

Mr. SWANSON. That is an honest statement on my part. I believe that.

Senator MUNDT. Maybe we can set your mind at rest about this committee. We are not out here to pin anything on you or anybody else. We are trying to get at the facts. Here have come a lot of witnesses under oath, who have all identified you as the villain in the broth.

You come in and say "Not I; I made a few mistakes, but in the main I am proud of my record, and the villain in the broth is a fellow by the name of Maloney, who has a standin for him in his villainy by the name of Carman." You stand alone in your testimony as of now.

There are quite a series of witnesses who have testified on the other side. The one witness you have mixes this up on the calendar by at least 6 months.

I am asking you if you could suggest 1 or 2 or 3 people who are in a position to know in San Francisco, in the union or out, who will come in and support what you have said, as against what these other people have said, so that the hypothesis which you put before us can be substantiated by others?

Mr. SWANSON. May I answer?

Senator MUNDT. Surely.

Mr. SWANSON. First of all, the people who testify here are people who are on a heavy salary, working for local 3, and they don't want to give up their jobs.

I presume that the auditor that testified here, Mr. Garrett, is, I would say, about an \$1,100 or \$1,200 a month man, or something in the neighborhood of that, and the business agents over that, and none of them want to lose their jobs. The people that were subpoenaed here were the people that were the officers of the union that hold their jobs on account of taking orders.

If you ask me, I will give you the name of 25 or 30. I would prefer that you go to San Francisco and hold this hearing.

Senator MUNDT. We have been to San Francisco. That is where we found these other witnesses.

Mr. SWANSON. That is a wonderful place. Let me cite people to testify. I still think that 20,000 will vote for me.

Senator MUNDT. We are not talking about voting; we are talking about evidence.

Mr. SWANSON. Well, testify for me.

Senator MUNDT. There are these transactions that you have been involved with. You have people on the Commission that used to

serve with you, as a public utilities commissioner. You have had people that you have been working with in these various transactions. There is only one way you can resolve a clash of testimony and find out who is lying, and somebody is lying.

Well, somebody is lying, and we are trying to find out who. We do not want the evidence to rest against you, if you are innocent.

Mr. SCOTT. Mr. Chairman, might we confer with counsel as to the possibility of additional witnesses?

The CHAIRMAN. The Chair will make this statement with respect to witnesses.

If you have any witnesses that you think can contribute anything to this inquiry, Mr. Swanson lives in California and I am sure he has able counsel out there, and if they can produce some affidavits that show enough factual information directed at the merits of this inquiry, then they may be subpoenaed. But I am not going to just start issuing subpoenas here promiscuously, for everybody out there, 20,000 of them. I do not think 20,000 of them know about these transactions.

But we have gone into this union and gotten the records, and gotten the officers of the union who know about the transactions, or who should know about them. I am persuaded the membership generally did not know anything about it.

If you get something concrete, and you want anyone to be heard here, who has some concrete information which goes to the merits of the issues that have been presented here, we will consider the subpoenas. But I would not want to send subpoenas out there for anybody that might be suggested.

Mr. SWANSON. How much time do I have to do that?

The CHAIRMAN. You have from now until the committee ends, so far as I am concerned.

Is there anything further?

Mr. KENNEDY. I just want to ask you about one more item.

In the transaction on the boat, when you purchased the boat for \$10,000 and actually paid \$20,000, why did you hide the other \$10,000?

Mr. SWANSON. I didn't hide anything. We paid \$20,000 for that boat, and it was probably worth \$25,000. I think the boat has been worth its weight in gold to local 3 over the years. But I think the airplane was a big joke. I think the boat was the greatest thing that we ever bought, and we paid \$20,000.

The only thing is to go to see the man that owned it, and he will have to tell you that.

Mr. KENNEDY. Why was the check for the boat—

Mr. SWANSON. I want to get this point over.

Out of approximately \$8 million worth of checks written in local 3 over the years, I never wrote one check, and I never signed one check until Maloney's special representative, Mr. Mathews, had signed the first, and I was only a countersigner.

I cannot remember about those checks, but I know, because I was over there once or twice and the fellow wouldn't take less than 20 under any consideration, so I know he got \$20,000.

The CHAIRMAN. Why do you say Mr. Mathews is Mr. Maloney's special representative?

Mr. SWANSON. He had been appointed by Mr. Maloney to represent him in finance over the years, in local 3, from the very day that local 3 became local 3.

The CHAIRMAN. What we are trying to find out here is who represented the local people in the union. We have not found anyone yet.

Mr. SWANSON. I represented the working people, but he represented Mr. Maloney.

The CHAIRMAN. I have not found anybody yet who apparently took care of their interests.

Mr. KENNEDY. The testimony is that the transaction for the extra \$10,000 was hidden upon instructions from you.

Mr. SWANSON. The only thing I know about that, Mr. Kennedy, is this—

Mr. KENNEDY. Just answer, is that true or not? The record can stand.

Mr. SWANSON. It is not true.

Mr. KENNEDY. It is not true, so that testimony to the contrary is false.

Did you know that this extra \$10,000 which was charged to the Stolte, Inc., was, in fact, being used for the purchase of the boat?

Mr. SWANSON. The executive officers—and I am not sure whether they were all 3 in there, or just 2—I heard them state that “We better not put anything in the minutes so that the members would know we paid \$20,000.”

That is all I know about it. Evidently the minutes were written that way. But I am telling you that the union paid \$20,000.

Mr. KENNEDY. We know that.

But then there was a check written to Stolte Co., supposedly to Stolte, Inc., though actually written for cash, which was used for the purchase of the boat.

Did you know that that was being done?

Mr. SWANSON. No, I don't know anything about that.

Mr. KENNEDY. You did not?

Mr. SWANSON. No. I have no recollection.

Mr. KENNEDY. You endorsed the check.

Mr. SWANSON. Was it cashed by Stolte?

Mr. KENNEDY. No.

Mr. SWANSON. I don't think so. I think they used the Stolte name, so that they could carry out the minutes. They had phony minutes.

Mr. KENNEDY. Your name appears as endorsements on the back of the checks, your name, Mathews name, and Vanderwark's name all appear on the back of the check.

Mr. SWANSON. I think the records will show, if you want to see the party, that they will tell you that they cashed the check, the owners of it.

Mr. KENNEDY. That what?

Mr. SWANSON. I think the records will show that the check was cashed by the people they bought the launch from.

Mr. KENNEDY. Then you do know about this check?

Mr. SWANSON. I didn't know it. I have heard it since. I didn't see it.

Mr. KENNEDY. You didn't know at the time that this was being charged to Stolte, Inc.?

Mr. SWANSON. Not that I can recall. I know I overheard them talking about the minutes——

Mr. KENNEDY. The minutes do not show any amount of money being used.

Mr. SWANSON. What?

Mr. KENNEDY. In the first place, this was not brought to the attention of the membership. If it was brought to their attention at all, it was not until August 2. These checks were written on July 30. The membership was not consulted at all on this matter.

Mr. SWANSON. I don't remember when it was written. I don't recall that.

Mr. KENNEDY. Then there was a false entry made in the books regarding the purchase of the boat.

Mr. SWANSON. With purchasing the boat?

Mr. KENNEDY. It was a false entry.

Mr. SWANSON. No, I made no entries in the books.

Mr. KENNEDY. Did you have anything to do with the fact that this \$10,000 was a false entry in the books? It was charged to Stolte, Inc., when, in fact, it was used for the purchase of the boat?

Mr. SWANSON. I have no recollection of that, except I know we paid \$20,000.

Mr. KENNEDY. I understand you paid \$20,000, but it is how the transaction was handled. It was handled by fraud.

I am trying to find out from you what you know about it. According to the testimony, you were the one that instructed that it be handled in that way.

Mr. SWANSON. No.

Mr. KENNEDY. According to the testimony before this committee, nobody knew anything about the finances of the union. You say you didn't know anything about it. All the other officers say they didn't know anything about it. None of you agree on anything.

Mr. SWANSON. I had nothing to do with making the records or making checks.

Mr. KENNEDY. And tens of thousands of dollars kept pouring out of that union for no purpose at all each year.

Senator MUNDT. Were you not a member of the executive committee?

Mr. SWANSON. I was a member of the executive committee, and I had a voice and a vote.

Senator MUNDT. What was that?

Mr. SWANSON. I had a voice and a vote in the executive committee.

Senator MUNDT. A voice and a vote. You were a member of the committee, were you?

Mr. SWANSON. A voice and a vote.

Senator MUNDT. Were you a member of the committee?

Mr. SWANSON. Yes. Let me explain to you. The executive board is elected, and the manager's duty, because he is a manager, and an elected manager, by virtue of that fact, he is also a member of the executive board. He is not elected as a member of the executive board, but because he is elected manager, he is a member, and he has a vote.

Senator MUNDT. So you know what transpired at the executive meetings; you knew what happened?

Mr. SWANSON. Well, when I was there. We had 22,000 people covering 3 States. I traveled considerably. I don't suppose I spent but one-third of the time there.

Senator MUNDT. Did you have an executive meeting at any time when they talked about the boat?

Mr. SWANSON. I guess I did. There was nothing wrong with it there.

Senator MUNDT. What did they say about the boat?

Mr. SWANSON. I don't remember that exactly. There were so many things, I don't remember right exactly. I can't remember. My memory is not good enough for that. I thought my memory was better today than usual, but I don't remember that. My memory has been awful bad today, to tell you the truth.

Senator MUNDT. Is it specially bad on boats?

Mr. SWANSON. About the boat? No, there isn't anything about that. I don't remember exactly. I don't think there was anything wrong at all; no fraud or anything of that kind.

Senator MUNDT. Let me ask you this: As a union official, when you spend \$20,000 for a boat, shouldn't you tell the members about it, and haven't they a right to know, since it is their money?

Mr. SWANSON. Do you mean tell all the 22,000 members?

Senator MUNDT. Yes. It is their money, isn't it?

Mr. SWANSON. You are not familiar how the union was run. We had an executive board. They met twice a month, and sometimes oftener, and the secretary made a complete report of what the executive board did. Then we had one business meeting every month. They have done away with that now, since Maloney took it over. He don't want no meetings now. He has one in the office there every 4 months. But we had a meeting the first Saturday of every month. At that meeting, the secretary read everything that the executive board was supposed to have done, and I guess he did—I don't know about that—everything of what the executive board had done, and then a motion was made that they be approved. But whether he had it in there about \$20,000 or not, I don't know.

Senator MUNDT. My question is, Do you agree that there should have been a record in the minutes that you had spent \$20,000 for a boat?

Mr. SWANSON. I believe that the records should contain everything that happens.

Senator MUNDT. That is exactly what I am asking about.

Mr. SWANSON. And I think the secretary should have every word of everything that happened and kept it there, and not destroyed.

Senator MUNDT. This is not true in this case. Since it was not true in this case, whose responsibility was it?

Mr. SWANSON. I don't remember exactly what happened there.

Senator MUNDT. Whose responsibility was it to put it down?

(The witness conferred with his counsel.)

Mr. SWANSON. The secretary, the recording corresponding secretary. That was his duty and practically his only duty.

Senator MUNDT. Mr. Mathews?

Mr. SWANSON. Mathews, C. F. Mathews, elected secretary of local union No. 3.

Senator MUNDT. Mr. Mathews wasn't a Maloney man, was he?

Mr. SWANSON. He represented Mr. Maloney so far as finances was concerned. He had to sign every check before anybody else signed it. No check was ever—

Senator MUNDT. By that definition, you were a Maloney man. You had to sign the checks, too.

Mr. SWANSON. But after they had made them out and he had signed them, I had a stamp, Mr. Vandewark had a stamp, but to my knowledge Mr. Mathews never had a stamp, but he signed the checks. I have no knowledge of him ever having a stamp. But Mr. Vandewark, who was the treasurer, and myself, had stamps.

Senator MUNDT. Was it the same lady we were talking about? Is she the one that was authorized to stamp your name on the checks? Ethel Thomasello; did she have the authority?

Mr. SWANSON. The secretary, Miss Thomasello, and sometimes they had it in the other office, in Mr. Vandewark's. We had three offices. They had it wherever they needed it. Sometimes I was gone for a while. We had a payday every week.

Senator MUNDT. Anyone of the three of them could stamp your name on a check?

Mr. SWANSON. As a rule, Thomasello signed it, but if she wasn't in and I wasn't in, some of the rest of them signed. If they didn't get paid every week, they got hungry.

The CHAIRMAN. Before we recess, the Chair wishes to make this observation: There is clearly before the committee, in the judgment of the Chair, flagrant perjury. There could not be honest mistakes or honest differences of opinion with respect to these records and what has transpired. There have been five other witnesses who appeared here that testified on various issues, or subject matters, directly in conflict with the testimony given by this witness, Mr. Swanson. The record clearly shows, from my viewpoint, and after hearing all of the witnesses who are in positions to know, and who testified under oath with respect to these various transactions, the record clearly indicates at this point that there was considerable embezzlement, theft, of union funds by these officers.

I hope that the local officials out there are taking note of the record that is being made here, the testimony that is being adduced, that reflects the crimes that have been committed, and that they will give attention to their duties in this respect. I feel there should be law enforcement. If we are not going to have law enforcement in this country, people who want to exploit honest working people through the medium of labor unions and dictatorial control over them, and the misuse of their funds, can have a field day in this country.

There is a great responsibility, in my judgment, upon local officials, whenever these crimes are exposed by this committee, to take action. I am hopeful that the officials in California will take note of the views that I am expressing, and give some attention, insofar as it is possible for them to do in the discharge of their duties, to these crimes being reflected in this testimony.

The Chair also, with the permission of the committee, will direct that a transcript of this testimony be referred to the Justice Department for its attention. It may have a duty in this, too, if it can establish who is lying before this committee. It would be the duty of the Justice Department to prosecute such cases.

Before I yield to my distinguished friend and member of the committee for his statement, the Chair is going to suggest to Mr. Vandewark, Mr. Clancy, Mr. Mathews, Mr. Doran, and Mr. Garrett, and also to the witness in the chair, Mr. Swanson, that you can have until

in the morning, by the time this committee meets in the morning, which will be at 11 o'clock; when we adjourn, you will have until in the morning to reconsider your testimony. If you want to appear back before the committee in the morning, be here at 11 o'clock and advise the committee that you want to correct your testimony before this record goes to the Justice Department, and before it goes to any other law enforcement officials who may desire a copy of it.

I do not have very much patience. Our time is valuable. We are spending taxpayer's money. When people come in here and willfully lie, they are imposing upon this committee and their Government. If I can prevent it, we will not tolerate it.

I give you all warning to think about it tonight. If you want to change your testimony, if you have not told the truth, and if you want to correct this record before it is released for the other purposes I have referred to, you will be given an opportunity to do so if you so advise the committee by 11 o'clock in the morning.

Senator Mundt?

Senator MUNDT. Mr. Chairman, you have been reading my mind. That is exactly what I was going to suggest, and for two reasons: This is probably the most direct conflict of testimony on material points, which are demonstrable in the form of evidence, that we have had. When this case for perjury goes to the Federal Government, I suspect somebody is going to go to jail; and I think they should.

Inasmuch as Mr. Garrett and Mr. Clancy, and the other witnesses, came here without counsel, and without attorneys, and I see some of them in the room now, I suggest that they reflect; on what they have said, pretty carefully tonight, and then avail themselves of the generous opportunity presented by the Chair if they feel they should. Mr. Swanson has counsel here, and counsel has not attempted in any way to interfere with the testimony. He has simply served as sort of a conveyor belt with the questions.

Mr. SWANSON. I suggest that you, sir, consult with your counsel tonight.

I am not suggesting that everybody will change, but I will say that somebody who has testified in this room in the last 72 hours will wind up in a big jail where the mosquito netting is pretty strong. This is a flagrant case of falsifying testimony.

The CHAIRMAN. It is not convenient for the committee to meet in the morning as early as usual. We have to attend another committee meeting.

For that reason, we will stand in recess until 11 o'clock in the morning.

(Thereupon, at 5:24 p. m., the committee recessed, to reconvene at 11 a. m., Friday, January 24, 1958.)

(Members of the select committee present at the taking of the recess were Senators McClellan and Mundt.)

INVESTIGATION OF IMPROPER ACTIVITIES IN THE LABOR OR MANAGEMENT FIELD

FRIDAY, JANUARY 24, 1958

UNITED STATES SENATE,
SELECT COMMITTEE ON IMPROPER ACTIVITIES
IN THE LABOR OR MANAGEMENT FIELD,
Washington, D. C.

The select committee convened at 11 a. m., pursuant to Senate Resolution 74, agreed to January 30, 1957, in the caucus room, Senate Office Building, Senator John L. McClellan (chairman of the select committee) presiding.

Present: Senator John L. McClellan, Democrat, Arkansas; Senator Irving M. Ives, Republican, New York; Senator Carl T. Curtis, Republican, Nebraska.

Also present: Robert F. Kennedy, chief counsel; Jerome S. Adlerman, chief assistant counsel; Jack S. Balaban, a GAO investigator on loan to the select committee; and Ruth Young Watt, chief clerk.

The CHAIRMAN. The committee will come to order.

(Members of the select committee present at the convening of the session were Senators McClellan and Ives.)

The CHAIRMAN. At the conclusion of the hearings yesterday afternoon, the Chair stated:

Before I yield to my distinguished friend and member of the committee for his statement, the Chair is going to suggest to Mr. Vandewark, Mr. Clancy, Mr. Mathews, Mr. Doran, and Mr. Garrett, and also to the witness in the chair, Mr. Swanson, that you can have until in the morning, by the time this committee meets in the morning, which will be at 11 o'clock; when we adjourn, you will have until in the morning to reconsider your testimony. If you want to appear back before the committee in the morning, be here at 11 o'clock and advise the committee that you want to correct your testimony before this record goes to the Justice Department, and before it goes to any other law enforcement officials who may desire a copy of it.

I do not have very much patience. Our time is valuable. We are spending taxpayer's money. When people come in here and wilfully lie, they are imposing upon this committee and their Government. If I can prevent it, we will not tolerate it.

I give you all warning to think about it tonight. If you want to change your testimony, if you have not told the truth, and if you want to correct this record before it is released for the other purposes I have referred to, you will be given an opportunity to do so if you so advise the committee by 11 o'clock in the morning.

The Chair is advised that two of the witnesses wish to reappear and correct their testimony. Are the witnesses here, either Mr. Clancy, Mr. Vandewark, Mr. Mathews, Mr. Swanson, Mr. Garrett, or Mr. Doran?

Do any of you wish to correct your testimony?

Mr. Clancy, I see, does, and also Mr. Vandewark.

Will you come around, gentlemen?

Will you have a seat, Mr. Clancy; you have the other seat, Mr. Vandewark.

Gentlemen, you are each under oath. You have testified during this week under oath before this committee. I shall not repeat again the warning and the suggestion the Chair gave to the witnesses yesterday. You have heard it restated this morning.

Now gentlemen, we will take you one at a time.

Mr. Clancy, you have been previously sworn, and you have testified, and you have heard the Chair's warning to you yesterday.

You are appearing today voluntarily to correct your testimony; is that right?

TESTIMONY OF PATRICK W. CLANCY—Resumed

Mr. CLANCY. Yes, sir.

The CHAIRMAN. All right, proceed.

Mr. CLANCY. Mr. Chairman, in the proceedings of the other day, I don't remember what day it was, there was an item of a matter of cashier's check, or two of them. I believe I didn't see them at that time. I do not think I did. I am not sure just if I testified correctly regarding those or not.

I would like to see those two checks, and I believe they were for \$500 each.

The CHAIRMAN. What do they relate to?

Mr. CLANCY. They related, as I understand from the investigation, to the convention expenses due to the pension drive of the local union.

The CHAIRMAN. That is out of the \$10,000 check that was drawn to promote the pension fund?

Mr. CLANCY. I believe that is correct.

The CHAIRMAN. Is that the way you identify it?

Mr. CLANCY. The counsel can probably correct it if it isn't right, but I believe it is.

Mr. KENNEDY. It is out of the pension fund. I believe when the witness testified the other day he said he received \$400 out of the \$10,000 check that was written to promote the pension fund. We asked him at that time whether he had not received more money than that, and he at that time said he had not.

With Mr. Salinger's testimony, we introduced 2 of the \$500 cashier's checks which show they came from that pension fund.

The CHAIRMAN. I present to you now two photostatic copies of checks, each dated March 27, 1956, and each made payable to Mr. V. S. Swanson, and the cashier's checks were drawn on the American Trust Co. One is No. 7121 and the other is 7122.

I think that I gave you the wrong number on one of them.

One is 7120 and the other is 7121.

I present these checks to you, and I ask you to examine them and state if you identify them.

Mr. CLANCY. Well, Mr. Chairman, before I do, I want to correct that \$400.

Now, the counsel asked if that had been taken out or it was to go to the convention, I believe, for the pension. I believe that that \$400 as I recollect, was for expenses to the convention. Now, I do not

believe that that was. It could have been, I am not sure, but I don't believe so.

Mr. KENNEDY. It was for the pension also.

Mr. CLANCY. I stated that I received that \$400.

Mr. KENNEDY. Yes; you did.

Mr. CLANCY. But these I do not. I will look at them.

The CHAIRMAN. Please look at them.

(The documents were handed to the witness.)

Mr. CLANCY. I am glad I got to look at these. I thought they were made out to me, Mr. Chairman. Mr. Chairman, I do not remember receiving these or cashing them, or endorsing them.

Now, I would like to ask—

The CHAIRMAN. Let me ask you a question first. Do you find your signature on them, as endorsing them?

Mr. CLANCY. Mr. Chairman, that is hard to say. Your committee found some checks out there with, I will say, one anyhow with my name on it, that is a forgery, and that I did not sign. A 3-year old boy could see the difference between my signature and that one, and your committee, your investigators found one to my knowledge and I believe that they found more that had been endorsed and signed by other people.

The CHAIRMAN. Mr. Clancy, examine the endorsement signature on those two checks and tell me whether it is your signature or not.

Mr. CLANCY. It looks like my signature.

The CHAIRMAN. Is it?

Mr. CLANCY. I don't know.

The CHAIRMAN. Do you deny it is your signature?

Mr. CLANCY. I don't deny it, but I would like to have that signature gone over inasmuch as there was forgery found on other checks.

The CHAIRMAN. Now you came back to correct your testimony.

Mr. CLANCY. That is what I am doing.

The CHAIRMAN. You have been presented now with the documents. You have the opportunity to say whether you received the money or you didn't. It is just back in 1956 and it is \$1,000.

Mr. CLANCY. Mr. Chairman, that is why I am in doubt. That is not very long back, and \$1,000 is a lot of money in anybody's language, and I don't remember receiving this.

The CHAIRMAN. That is all you can say about it?

Mr. CLANCY. I don't remember receiving them or cashing them.

The CHAIRMAN. Those checks may be made exhibits No. 75A and 75B.

(Documents referred to were marked "Exhibits 75A and 75B" for reference, and will be found in the appendix on pp. 7916-7919.)

The CHAIRMAN. Is there anything further in your testimony?

Mr. CLANCY. I would like to have the signatures looked into by a handwriting expert, as I am not, and I have seen some awful good copies.

The CHAIRMAN. I assume if a handwriting expert said they are your signatures, you are not in a position to deny it, because you say you don't know.

Mr. CLANCY. If the handwriting expert says that those are my signatures, they would be, but I still do not remember endorsing them and cashing them and getting any money on them. I will say that.

The CHAIRMAN. You didn't remember it the other day and so you haven't changed your testimony after seeing it. Is there any further change you want to make in your testimony?

Mr. CLANCY. No, sir.

The CHAIRMAN. You heard the testimony of Mr. Swanson here yesterday?

Mr. CLANCY. Yes, sir.

The CHAIRMAN. And you heard his testimony directly and diametrically in conflict with yours with respect to the orders you claim that he gave you, and the directions he gave you. Do you still say that your testimony is true and his is false?

Mr. CLANCY. That is correct.

The CHAIRMAN. All right. You may stand aside.

TESTIMONY OF PORTER E. VANDEWARK—Resumed

Mr. VANDEWARK. I believe in my testimony that I was questioned on the same \$10,000 check for convention expenses in connection with the pension fund. I believe that I testified that I did not recall receiving any further money. I am led to believe now that a check exists which I have supposedly endorsed and I would like to see the check.

The CHAIRMAN. I present the check to you here, No. 7122, dated March 27, 1956, in the amount of \$500, cashier's check, drawn to V. S. Swanson, on the American Trust Co. I will ask you to examine the check, and see if you identify it.

Will you examine the endorsements on it also and state whether or not you endorsed it?

(A document was handed to the witness.)

Mr. VANDEWARK. Yes, sir; that is my signature on that.

The CHAIRMAN. Did you get the money?

Mr. VANDEWARK. Yes, sir.

The CHAIRMAN. You got the money?

Mr. VANDEWARK. Yes, sir.

The CHAIRMAN. What was that money used for?

Mr. VANDEWARK. That, sir, I cannot recall what the money was used for. It was apparently cashed after I returned from the convention as it shows the paid stamp of the bank here in the last part of April 1956.

I believe that is correct, looking at the punched-out stamp of the bank.

The CHAIRMAN. What you actually did then after you got back from the convention, was to take the balance of the \$10,000 and divided it around among the officials; is that not correct?

Mr. VANDEWARK. It apparently looks so, sir.

The CHAIRMAN. It looks that way; does it not?

Mr. VANDEWARK. Yes, sir.

The CHAIRMAN. I think the same thing would hold true with Mr. Clancy, don't you think? You were in on it and you knew about it.

Mr. VANDEWARK. I have no way of knowing, sir. I know that I received this, and this is my endorsement.

The CHAIRMAN. Are there any other corrections you wish to make in your testimony?

Mr. VANDEWARK. No, sir.

The CHAIRMAN. You have heard Mr. Swanson's testimony, have you?

Mr. VANDEWARK. Yes, sir.

The CHAIRMAN. And you heard him testify?

Mr. VANDEWARK. Yes, sir.

The CHAIRMAN. And you know that the testimony that he gave and the testimony that you have given cannot possibly be reconciled so as to make both of you speak the truth. Do you not?

Mr. VANDEWARK. That is correct.

The CHAIRMAN. One of you has testified falsely before this committee. Do you recognize that?

Mr. VANDEWARK. Yes, sir; I do.

The CHAIRMAN. With that recognition in mind, you still do not wish to change your testimony?

Mr. VANDEWARK. I do not, sir.

The CHAIRMAN. Are there any other questions?

Mr. KENNEDY. I just have one question. Just on the question of the automobile transaction, the \$21,000, you don't want to change your testimony on that?

Mr. VANDEWARK. No, sir.

Mr. KENNEDY. And you say you won the money where, again?

Mr. VANDEWARK. At Harold's Club in Reno.

Mr. KENNEDY. Who was with you when you won the money?

Mr. VANDEWARK. My wife.

Mr. KENNEDY. Where did you stay that night?

Mr. VANDEWARK. I stayed at the Mapes Hotel, and she came up in the afternoon and returned that evening on United Airlines.

Mr. KENNEDY. She returned on United Airlines?

Mr. VANDEWARK. That is correct.

Mr. KENNEDY. That evening, back to San Francisco?

Mr. VANDEWARK. Yes, sir.

Mr. KENNEDY. Was Mr. Swanson there with you?

Mr. VANDEWARK. Not that I recall, sir.

Mr. KENNEDY. Just the two of you were there?

Mr. VANDEWARK. Yes, sir.

Mr. KENNEDY. We checked with the man who did the ordering of the cars, in Salt Lake, a Mr. Bowman. Is he the one who handled the car transaction?

Mr. VANDEWARK. I believe, yes, sir, that he did. I believe that he signed the car purchase orders.

Mr. KENNEDY. He says that was not done until March 5 of that year. You withdrew the money from the bank for the purchase of the cars, as I understand your testimony, on February 14.

Mr. VANDEWARK. That is right.

Mr. KENNEDY. All right. Thank you.

The CHAIRMAN. All right, you may stand aside.

This check will be made exhibit No. 76.

(Document referred to was marked "Exhibit No. 76" for reference and will be found in the appendix on pp. 7920-7921.)

The CHAIRMAN. The Chair will make this announcement:

Tentatively at least, this concludes this phase of the hearing into local 3. We are now going into another area, into the area of New York and Philadelphia, and the testimony in those areas will be di-

rected primarily to another kind of domination and control of union affairs. It is in the same international union.

We have observed from the testimony thus far, with respect to local No. 3, that there was such domination of it by either one officer or a combination of officers of the union that the union dues, and the union funds, pension and welfare funds could be manipulated, misused, misappropriated, and expended for nonunion purposes, and transactions went on where the union officials profited at the expense and to the detriment of the union members.

In this area we are going into now, we will be dealing with other locals, and we will show primarily in those areas the lack of democratic processes, and the complete domination of unions by the manipulation of elections, and by the holding of members to be ineligible to vote; and thus the union members again were deprived of their rights and have been under a state of subjection to a rule that was autocratic and not in conformity with ethical practices.

All right, Mr. Counsel, call your first witness.

(At this point the following members were present: Senators McClellan and Ives.)

Mr. KENNEDY. The witnesses, Mr. Chairman, will be Messrs. Peter Batalias, Lou Wilkens, Garrett Nagle, Charles Skura, John DeKoning, and William Wilkens.

May we have them all at one time?

The CHAIRMAN. Gentlemen, all of you come forward.

Gentlemen, each of you will be sworn. You do solemnly swear that the evidence you shall give before this Senate select committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. BATALIAS. I do.

Mr. L. WILKENS. I do.

Mr. NAGLE. I do.

Mr. SKURA. I do.

Mr. DeKONING. I do.

TESTIMONY OF LOUIS WILKENS, PETER BATALIAS, CHARLES SKURA, GARRETT NAGLE, AND JOHN DeKONING

Mr. L. WILKENS. Bill Wilkens is absent for the moment.

He went downstairs for a moment.

The CHAIRMAN. Gentlemen, give your names, starting with you on my left in front.

Mr. L. WILKENS. Louis Wilkens.

Mr. BATALIAS. I am Peter Batalias.

The CHAIRMAN. The gentleman on my left in the rear?

Mr. SKURA. Charles Skura.

The CHAIRMAN. The gentleman in the center?

Mr. NAGLE. Garrett Nagle.

The CHAIRMAN. The gentleman on my right?

Mr. DeKONING. John DeKoning.

The CHAIRMAN. Beginning with you, Mr. Wilkens; state your name, your place of residence, and your business or occupation.

Mr. L. WILKENS. Louis Wilkens, 50 Bayview Avenue, East Islip. My occupation is master mechanic.

The CHAIRMAN. Mr. Batalias?

Mr. BATALIAS. I am Peter Batalias. I reside at 199 Post Avenue, Westbury, Long Island, and I am operating engineers.

Mr. SKURA. Charles Skura, 730 Charter Court, Uniondale, Long Island, operating engineer.

The CHAIRMAN. Mr. Nagle?

Mr. NAGLE. Garrett Nagle, 17 Warwick Avenue, Copake, Long Island, operating engineer.

Mr. DeKONING. John DeKoning, 125 West 18th Street, Deer Park, Long Island, N. Y., operating engineer.

The CHAIRMAN. Gentlemen, I believe each of you testified, did you not, at an executive session of this committee in New York City some time last spring?

Mr. L. WILKENS. Yes, sir.

Mr. BATALIAS. Yes, sir.

Mr. NAGLE. Yes, sir.

Mr. SKURA. Yes, sir.

Mr. DeKONING. Yes, sir.

The CHAIRMAN. Let the record show the answer is in the affirmative from each of the witnesses.

Mr. Counsel, you may proceed.

Mr. KENNEDY. Mr. Wilkins, I will address my questions to you, initially. You and the other gentlemen with you are all members of Local 138 of the Operating Engineers of Long Island?

Mr. L. WILKENS. We are.

Mr. KENNEDY. And you personally have been a member of that union for how long?

Mr. L. WILKENS. Since its inception, in 1933.

Mr. KENNEDY. Could you tell us a little bit about the background and history of that local, what kind of work you do out on Long Island, what your group does, and a little bit about the background of the local itself?

Mr. L. WILKENS. The local was established in 1933, and I was its first president. Do you want me to give the history of the organization?

Mr. KENNEDY. Give us a history of the organization, from its inception. You were the first president. Approximately how many members did it have at that time?

Mr. L. WILKENS. At that time it had approximately, I believe it was, around 18 or 19 members, when we first got the charter.

Mr. KENNEDY. You were one of those who established the local?

Mr. L. WILKENS. That is right.

Mr. KENNEDY. Were you the top official of the local?

Mr. L. WILKENS. I was the president at the time, but Bill DeKoning was elected the business manager at the time.

Mr. KENNEDY. Who was that?

Mr. L. WILKENS. William C. DeKoning, Sr.

Mr. KENNEDY. He was the business manager?

Mr. L. WILKENS. He was the business manager. He did all the contacting with all the contractors, and union officials in Washington, and so forth.

In 1935—during that time of the 2 years—we ran into little difficulties for the simple reason that they wanted me to sign checks where there was no vouchers for them, by the members. In other words,

checks that the men did not know about, or there was no vouchers signed for them.

Mr. KENNEDY. And they had not obtained the approval of the membership for them?

Mr. L. WILKENS. That is right.

Mr. KENNEDY. Who wanted you to sign those checks?

Mr. L. WILKENS. Mr. DeKoning.

Mr. KENNEDY. And you refused to sign the checks?

Mr. L. WILKENS. That is right. In 1935, they put a man against me, a man by the name of Jim Brennan, and, of course, he won the election, in 1935.

From then on, the organization went along until 1938, I believe it was 1938, when there was a lawsuit involving some contractors and Mr. DeKoning in some kind of fixing up of price rigging or something.

Mr. KENNEDY. There was some collusion, between certain of the contractors?

Mr. L. WILKENS. It never was proven, but there was indictments on it at the time. It never was proven. We went along until 1949 when Jim Brennan and Bill DeKoning, Sr., had a falling out, and we had an election. That was an election year. It was either 1948 or 1949. There was really no opposition for the simple reason that they eliminated Jim Brennan by a technicality. They claimed that he did not put in his voucher that he was going to run as president again. So there was only one man running, and that was Bill DeKoning, Sr. In 1950 we had the misfortune of our financial secretary dying. That is when Bill DeKoning, Jr., was brought back from upstate. He was upstate working on a job. He was brought back and he was appointed financial secretary and business representative to take Bob Lawrence's place.

Mr. KENNEDY. They did not take anybody out of the local on Long Island? The took Mr.—

Mr. L. WILKENS. William C. DeKoning, Jr., had a membership card, but he was working on jobs upstate.

Mr. KENNEDY. Had he been active in the local up until then?

Mr. L. WILKENS. No; not a bit. He had not attended a meeting in—I don't know how long.

Mr. KENNEDY. He was made financial secretary of the union?

Mr. L. WILKENS. That is right.

Mr. KENNEDY. His predecessor died?

Mr. L. WILKENS. That is right.

Mr. KENNEDY. Was there anything attached to his death? Were there any facts associated with his death that made it unusual?

Mr. L. WILKENS. Well, I don't know what was bothering the man. The man did commit suicide.

Mr. KENNEDY. And young DeKoning took over?

Mr. L. WILKENS. That is right.

Mr. KENNEDY. Had he had any experience handling finances prior to that time?

Mr. L. WILKENS. Not to the best of my knowledge he hadn't had.

Mr. KENNEDY. And he was appointed, not elected, to that position?

Mr. L. WILKENS. That is right.

Mr. KENNEDY. Appointed by his father?

Mr. L. WILKENS. Well, appointed by his father through the executive board.

Mr. KENNEDY. That brings us to 1950. Will you go on?

Mr. L. WILKENS. In 1952, William C. DeKoning, Sr., decided he was going to retire. He was made emeritus, and his son was appointed again to be president and business manager.

Mr. KENNEDY. He decided he was going to retire, and he appointed his son, through the executive board, to be president and general manager of the local?

Mr. L. WILKENS. That is right.

Mr. KENNEDY. He passed the local on to his son?

Mr. L. WILKENS. That is right.

Then in 1953 there was some indictments but against William C. DeKoning, Sr., and William C. DeKoning, Jr., and several of the members.

Mr. KENNEDY. Approximately how many indictments were there?

Mr. L. WILKENS. I believe there was around 100.

Mr. KENNEDY. Around 100 indictments for what type of crime? About 100 different counts?

Mr. L. WILKENS. About 100 different types, but it was all extortion and coercion. I don't recall all of them.

Mr. KENNEDY. Extortion from contractors and collusion with contractors?

Mr. L. WILKENS. That is right.

Mr. KENNEDY. And embezzlement of funds; was that included?

Mr. L. WILKENS. That is right.

Mr. KENNEDY. What happened?

Mr. L. WILKENS. Well, William C. DeKoning had quite a control in a raceway. He had organized the raceway workers, plus being the business manager of local 138.

Mr. KENNEDY. What do you mean the raceway workers?

Mr. L. WILKENS. Well, I don't know. They have different names for them. There are different ones.

Mr. KENNEDY. Is it the employees out at the racetrack?

Mr. L. WILKENS. People that work at the trotting track there, Roosevelt Field.

Mr. KENNEDY. And he had control of that group of employees also?

Mr. L. WILKENS. That is right. He did.

Mr. KENNEDY. Those employees were members of 138?

Mr. L. WILKENS. Quite a few of them was members of local 138, and also of—well, I believe there are 2 different unions in the raceway, and they were members of either one or the other of those unions.

Mr. KENNEDY. And DeKoning was the head of the local?

Mr. L. WILKENS. That is right.

Mr. KENNEDY. That is DeKoning, senior or junior?

Mr. L. WILKENS. Senior.

Mr. KENNEDY. We have brought him up to the time he was indicted. What happened after that?

Mr. L. WILKENS. That was 1953 that he was indicted. Then I believe it was April of 1954 that he was sentenced on a plea of guilty from DeKoning, senior, and DeKoning, junior.

The judge gave DeKoning, junior, I believe, 2 or 3 months to clean up his business, end up his business, and each was told to get out of organized labor for 1 year.

Mr. KENNEDY. What happened to DeKoning, senior?

Mr. L. WILKENS. DeKoning, senior, was sent to jail for 1 year to 18 months, which time he served.

Mr. KENNEDY. That takes us up to the time of about 1954; is that right?

Mr. L. WILKENS. That is right.

Mr. KENNEDY. Mr. Batalias, could you go on and tell us—

The CHAIRMAN. Before you go on, I want to swear the other witness. I understand the other witness has come in. Are you the other witness?

Mr. W. WILKENS. Yes, sir.

The CHAIRMAN. What is your name?

Mr. W. WILKENS. William Wilkens.

The CHAIRMAN. You do solemnly swear that the evidence you shall give before this Senate select committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. W. WILKENS. I do.

TESTIMONY OF WILLIAM WILKENS

The CHAIRMAN. State your name, your place of residence, and your business or occupation.

Mr. W. WILKENS. William Wilkens, 2344 First Street, East Meadow, Long Island, N. Y. I am an operating engineer out of local 138, Uniondale, Long Island.

The CHAIRMAN. Thank you very much. You may remain seated. You may be questioned later.

TESTIMONY OF PETER BATALIAS—Resumed

Mr. KENNEDY. Mr. Batalias, can you tell us a little bit about the local? I will ask you in a few minutes what the present control of the local is, but can you tell us a little bit about what the local is made up of? It is split into various units. Can you tell us a little bit about that?

Mr. BATALIAS. Local 138 is split into three branches. The first branch, which is the parent body, is local 138. They consist of approximately 550 members that have the right to control and vote in the union affairs. Local 138-A consists of approximately 400 members that are considered apprentices. They are not permitted to vote.

A large majority of the members in this local actually perform engineer's work. Local 138-B consists of approximately 300 branch men. These are considered shop and maintenance workers. They also are not permitted to vote. There is a category consisting of approximately 500 to 1,000 men that are considered permit men. They are not allowed to attend—

The CHAIRMAN. How many?

Mr. BATALIAS. It varies with the season. It varies between 500 and 1,000 men.

The CHAIRMAN. Are they members of either of these locals?

Mr. BATALIAS. They are members of local 138 on a permit status.

The CHAIRMAN. What is the membership of 138? You said that the parent body is about 550?

Mr. BATALIAS. That is correct.

The CHAIRMAN. And then you have a fluctuating membership or a permit membership of what?

Mr. BATALIAS. Between 500 to 1,000.

The CHAIRMAN. Five hundred to 1,000. Those are not permanent members? They are just issued a permit so they can work?

Mr. BATALIAS. That is correct. They pay a permit fee to the local each week, \$2.50 for the right to work.

The CHAIRMAN. At this point, does that permit fee of \$2.50 per week exceed, equal, or is it less than what the members pay as regular dues?

Mr. BATALIAS. It exceeds the fee that the members pay as regular dues.

The CHAIRMAN. What are the regular dues?

Mr. BATALIAS. One hundred and thirty-eight members pay \$8 a month; 138-A members pay \$8 a month; 138-B members pay \$6 a month.

The CHAIRMAN. So they pay at least \$2 a month more than the regular members simply for the right to have a permit so they can work on the job?

Mr. BATALIAS. Yes, sir; that is correct.

The CHAIRMAN. Thank you. Go ahead.

Mr. KENNEDY. Talking about the dues, what about the initiation fee? What do members of 138 have to pay?

Mr. BATALIAS. The initiation fee for members of local 138 is \$350 an initiation fee.

Mr. KENNEDY. What about 138-A?

Mr. BATALIAS. 138-A is \$224.

Mr. KENNEDY. And 138-B?

Mr. BATALIAS. I believe it is \$100.

Mr. KENNEDY. You say that members of 138-A and 138-B, and the permit men, are not allowed to vote in elections?

Mr. BATALIAS. They are not allowed to vote. They have no right whatsoever.

Mr. KENNEDY. Can you transfer from 138-B to 138-A any time you want?

Mr. BATALIAS. No, sir; not when you want to. No, sir.

Mr. KENNEDY. Do they have any kind of a test that you have to take, and you can go in after you pass the test?

Mr. BATALIAS. It is at the discretion of the examining board; that is handpicked by the president and business manager.

Mr. KENNEDY. So there is no test that people can take?

Mr. BATALIAS. There is no test.

Mr. KENNEDY. What about going from 138-A into 138. Can you take a test to get into that?

Mr. BATALIAS. No, sir; you cannot.

Mr. KENNEDY. Do you have to belong to the local in order to work on these projects out on Long Island?

Mr. BATALIAS. Yes, sir; you do.

Mr. KENNEDY. Yet it is impossible to get into the voting section of the union; is that right?

Mr. BATALIAS. It is impossible unless the examining board recommends you to the parent body.

The CHAIRMAN. May I ask if one of the tests is relationship?

Mr. BATALIAS. Yes, sir; most definitely.

The CHAIRMAN. That is, to the bosses?

Mr. BATALIAS. Yes, sir.

The CHAIRMAN. They manage to pass the examination pretty easily; do they?

Mr. BATALIAS. The bosses, in fact, select a lot of the members to go into the parent body.

The CHAIRMAN. All right.

Mr. KENNEDY. So approximately 500 members control this whole union; is that right?

Mr. BATALIAS. That is correct.

Mr. KENNEDY. They control the affairs, elections, and finances of about 2,000 people?

Mr. BATALIAS. That is correct.

Mr. KENNEDY. What is the 500 made up of? Can you tell us about that?

Mr. BATALIAS. The five-hundred-and-some-odd members in local 138, which is the parent and voting body, consists of approximately 169 contractors.

Mr. KENNEDY. Do you mean employers?

Mr. BATALIAS. Employers; yes, sir.

Mr. KENNEDY. So out of the 500 that have the right to determine the affairs of this local, approximately 160 or 170 of them are employers; is that right?

Mr. BATALIAS. Yes, sir.

The CHAIRMAN. Do you mean that the companies, the contractors, that you make a contract with for your work are in the union and voting members?

Mr. BATALIAS. Yes, sir; they are.

The CHAIRMAN. Are any of them down here in the lower grades of A and B?

Mr. BATALIAS. There might be some small owner-operators in the lower grade, but they are usually those that are in disfavor with the head of the union.

The CHAIRMAN. They are what?

Mr. BATALIAS. They are in disfavor. In other words, if you are favorable to the union officials, you are elevated to the voting body.

The CHAIRMAN. I see. So they give them a kind of a test period and then bring them on up?

Mr. BATALIAS. That is correct.

The CHAIRMAN. Now you think they have about 169 contractors in the voting unit?

Mr. BATALIAS. As of the period in 1954 when the voting membership was examined by me, there were 169 contractors in the parent body.

The CHAIRMAN. Is that number more or less now?

Mr. BATALIAS. It is probably more at this time.

The CHAIRMAN. You would think it is not less?

Mr. BATALIAS. It is not less; no, sir.

The CHAIRMAN. So the 169 is, you think, a conservative number?

Mr. BATALIAS. Yes, sir.

Senator Ives. Does that include all the contractors on the island, Nassau and Suffolk Counties?

Mr. BATALIAS. No, sir.

There are some contractors that are not permitted to join our union. They are outside contractors.

Senator IVES. How many of them are there that are not allowed to join?

Mr. BATALIAS. I believe that there are at least six large contractors on Long Island that are not permitted to belong to the union and who are not permitted to belong to the association, the contractors' association.

Senator IVES. Just exactly why aren't they, if all of these others are?

Mr. BATALIAS. They are not favored contractors.

Senator IVES. They are not very good contractors?

Mr. BATALIAS. They are good contractors but not favored by the leadership of the union.

Senator IVES. They are not favored by the leadership?

Mr. BATALIAS. That is right.

Senator IVES. I see.

Mr. KENNEDY. Now, these 169 that you found out in 1954, they were either employers or self-employed, is that right?

Mr. BATALIAS. That is correct.

Mr. KENNEDY. Are there any of the other 350 that are in local 138, that choice group, are any of them connected in any way with employers?

Mr. BATALIAS. Yes, sir. There is a category listed as master mechanics, which the National Labor Relations Board has considered supervisory employees.

There are approximately 20 of them in the parent body, and, in addition to that, there are approximately 11 superintendents employed by large contractors on Long Island who do not want any engineering equipment and yet they have voting books in 138.

Mr. KENNEDY. These people can all vote in the election?

Mr. BATALIAS. Yes, sir.

Mr. KENNEDY. That brings it up to about 200; is that right?

Mr. BATALIAS. That is right.

Mr. KENNEDY. Two hundred out of five hundred, about, are connected with management?

Mr. BATALIAS. They are directly connected with management.

Mr. KENNEDY. Now, of the other 200 that are left, are any of those closely collected or have any special jobs that would make them friendly disposed toward Mr. DeKoning?

Mr. BATALIAS. Yes, sir. There are a lot of so-called pushbutton jobs that are controlled by our union.

They are favored men of the leadership. Some cannot even operate engineering equipment, and they carry voting books.

There are approximately 50 of them members in local 138, the parent body.

Mr. KENNEDY. And are some of those members of this racetrack group?

Mr. BATALIAS. A large majority are also members of the Race-track Union, and in fact their prime, shall I say, endeavor, is that they are either bookies or mutual ticket agents, or gamblers, and men of that sort.

Mr. KENNEDY. They are also in this union and they are the ones who have the right to vote in these elections, while the other individuals would not, in 138A, and 138B?

Mr. BATALIAS. That is right.

Mr. KENNEDY. You mean that these folks who do no engineering work, who are not content to work on engineering jobs, that are just bookies or something around the racetrack, are in this union and have a right to vote?

Mr. BATALIAS. Yes, sir; they cover pushbutton jobs. In other words, in our trade there are compressors, vibrators, and pumps that are automatic machines, you push a button and they run all day long. You just get them started.

Mr. KENNEDY. These men do not actually push the button, but they stand there and watch it pushed; is that right?

Mr. BATALIAS. Usually they arrive on the job and see the machine gets started and then they go somewhere else.

Mr. KENNEDY. Then they go about their racetrack business?

Mr. BATALIAS. Or other things.

The CHAIRMAN. I see.

Mr. KENNEDY. Now, are there any people in the category 138A or 138B who have all the skill and experience so that they should be in local 138 itself?

Mr. BATALIAS. I believe that there are more men eligible in the subsidiary locals to operate engineering equipment, and are entitled to engineering books, but they do not have them.

Mr. KENNEDY. There are more in the other groups than in the parent local?

Mr. BATALIAS. Yes, sir.

Mr. KENNEDY. That are competent and skilled engineers and able to operate engineering equipment?

Mr. BATALIAS. Yes, sir.

Mr. KENNEDY. More that do not have a right to vote than there are of the 550 that do have the right to vote?

Mr. BATALIAS. That is right.

Mr. KENNEDY. The control of the union would not allow these other people to get in; is that right?

Mr. BATALIAS. That is right.

Mr. KENNEDY. Now, I believe you have one of your group that is in that kind of a situation.

Mr. BATALIAS. Yes. Garrett Nagle is one of those individuals.

Mr. KENNEDY. Mr. Nagle, would you tell us what your situation is as far as you are concerned?

The CHAIRMAN. Let me ask which one of the unions are you in, Mr. Batalias?

Mr. BATALIAS. I went directly into the engineers parent body from a permit status to the engineer class. I never went through the subsidiary locals.

The CHAIRMAN. How long ago was that?

Mr. BATALIAS. This was in 1952, and it was done by the master mechanic for Hendrickson Bros.

The CHAIRMAN. You are a member of the parent local?

Mr. BATALIAS. That is correct.

The CHAIRMAN. To the other gentleman, Mr. Wilkens, which one are you a member of, the parent local?

Mr. L. WILKENS. The parent local; yes.

Mr. KENNEDY. Before we get to Mr. Nagle, how were you able to go, Mr. Batalias, from the permit status into the parent group?

Mr. BATALIAS. I opposed Mr. DeKoning's tactics, and, in fact, I was in business for myself. I was employed on a project, on a Government project, and an attempt was made to pay me off.

Mr. KENNEDY. How do you mean that?

Mr. BATALIAS. I was on a permit fee and they were going to force me off the job because it was a slack season coming up.

The master mechanic for the contractor I worked for advised me to attend a Mule Club affair and go down and buy the tickets and I would be able to stay on the job and I would be able to get a book.

I started going to these affairs, and I started buying either 4 or 6 tickets, whatever was sent to me.

And then in the spring of 1953 I was sent to work, to Hendrickson Bros. The master mechanic for Hendrickson Bros. took a liking to me and I had learned to keep my mouth shut, and he influenced the leadership of the local union to take me into the parent body.

Mr. KENNEDY. It was favoritism as far as your getting into the organization?

Mr. BATALIAS. Yes, definitely favoritism.

Mr. KENNEDY. Hendrickson was one of the favorite contractors?

Mr. BATALIAS. He is the largest contractor on Long Island.

Mr. KENNEDY. And through the master mechanic that worked out there, you were given this favored position and the favored treatment and brought right from the permit status into the parent body?

Mr. BATALIAS. That is right.

The CHAIRMAN. That was over all of these others?

Mr. BATALIAS. Over all of the men, and in fact at the time I was 1 of 4 that was taken directly into the parent body.

Mr. KENNEDY. You did not have to take any test or anything else?

Mr. BATALIAS. No test whatsoever.

Mr. KENNEDY. The man just liked you and you were able to get in?

Mr. BATALIAS. Yes, sir.

Mr. KENNEDY. What happened to you, Mr. Nagle?

Mr. NAGLE. I am a member of the A local, and I have been a member of the A local since June of 1945. It has just been impossible for me to transfer over into the engineers to get a vote or to be allowed to run for office in that group.

Mr. KENNEDY. They have just not permitted you to come into local 138?

Mr. NAGLE. That is true, but I have made applications, several of them. Two were made orally to Mr. Verner Sofield, requesting I be allowed to make application to transfer into the engineers. He refused and told me "You don't need an engineer's book. You go out and work, and we will run the local."

Mr. KENNEDY. Who is Mr. Sofield?

Mr. NAGLE. Mr. Sofield is the recording corresponding secretary.

Mr. KENNEDY. And he just said that they could not take you into local 138?

Mr. NAGLE. He would not allow me to go before the executive board, to fill out the application.

Mr. KENNEDY. You could not even get into make a formal application?

Mr. NAGLE. That is true.

Mr. KENNEDY. You have been in this local 138 A for 9 years?

Mr. NAGLE. It will be 13 years in June.

Mr. KENNEDY. And you never have been able to get into local 138 and vote in any of the elections?

Mr. NAGLE. No, sir.

Mr. KENNEDY. You have no control then over the affairs of your local?

Mr. NAGLE. I have nothing to say.

Senator IVES. Mr. Chairman, I would like to ask counsel whether we have the list of the names of the executive board he is talking about?

Mr. KENNEDY. Do you have it?

Mr. BATALIAS. Do you want the names?

The executive board consists of the line officers, which is approximately 7, and then to the best of my knowledge, there are 3 master mechanics, and one individual from a sand pit concern in East Northport. The members of the executive board are usually kept a secret, away from the membership, and they don't ever really know who is on the executive board.

Senator IVES. Do you know who is on it?

Mr. BATALIAS. I know that the officers, because of the constitution, are members of the executive board, and I also know that two business representatives are members of the executive board.

Senator IVES. Can you name those so that we will have those in the record?

Mr. BATALIAS. William DeKoning, Jr., is president. Charles Bacon is vice president. Verner Sofield is recording corresponding Secretary. The financial secretary is Joseph Bell.

There is a guard and a conductor and I don't know their names, and they are also members of the executive board. Jack Gunning, a business representative, is a member of the executive board, and a Girard Douglas. The other individual I do not know his name.

Senator IVES. You have given us the majority of them.

Mr. BATALIAS. Yes, sir.

Senator IVES. Who picks the executive board, the president, you say?

Mr. BATALIAS. The president.

Senator IVES. He does it himself?

Mr. BATALIAS. Yes, sir. Those are the ones not officers in the union.

Senator IVES. Well, does he pick officers of the union, too?

Mr. BATALIAS. No, sir, the officers are elected. Up until this time, there has been no opposition to them.

Senator IVES. How are they elected? That is another interesting thing.

Mr. BATALIAS. The only election I ever attended—

Senator IVES. How long ago was that?

Mr. BATALIAS. In 1954, in June of 1954, it was a shout vote.

Senator IVES. What is that?

Mr. BATALIAS. A shout vote. The nominations were made, and there was no opposition to them, and they were just shouted.

Senator IVES. You had no ballots cast of any kind?

Mr. BATALIAS. No ballots whatsoever.

Senator IVES. No secret ballot of any kind?

Mr. BATALIAS. No secret ballot.

Senator IVES. A voice vote entirely?

Mr. BATALIAS. Yes, sir.

Senator IVES. Was there any opposition?

Mr. BATALIAS. Up to this time there has never been any opposition.

Senator IVES. Thank you.

Mr. KENNEDY. While you are on that, why don't you tell us about how the elections were handled since Mr. DeKoning, senior, went to jail. Would you recite what happened and what your personal experience has been?

Mr. BATALIAS. In May of 1954, the nominations were made for the regular slate of officers. William DeKoning, Jr., at that time, the president, explained to the membership that in accordance with his probation, he would have to resign and he asked that Charles Britton be nominated to the presidency. After that, the remaining officers were also nominated.

In June of 1954, the recording corresponding secretary read off the slate of officers with the exception of John DeKoning, as business agent.

Mr. KENNEDY. John DeKoning is the gentleman sitting beside you; is that right?

Mr. BATALIAS. Yes, sir.

Mr. KENNEDY. He is one of your group?

Mr. BATALIAS. That is right.

Mr. KENNEDY. Is he any relation to Mr. William DeKoning?

Mr. BATALIAS. He is a cousin of William DeKoning, Jr.

Mr. KENNEDY. But he is part of your group that is opposing William DeKoning, senior, and junior?

Mr. BATALIAS. That is right.

Mr. KENNEDY. He was an officer?

Mr. BATALIAS. He was a business agent.

Mr. KENNEDY. A business agent?

Mr. BATALIAS. Yes, sir.

Mr. KENNEDY. And there are three business agents working under the business manager; is that correct?

Mr. BATALIAS. That is correct.

Mr. KENNEDY. He had been an officer before?

Mr. BATALIAS. That is correct.

Mr. KENNEDY. And the election in May was supposed to return the same officers to power?

Mr. BATALIAS. The nominations in May were to return the same officers to power with the exception of William DeKoning, Jr., who had to resign.

Mr. KENNEDY. And Charles Britton was going to succeed him?

Mr. BATALIAS. Yes, sir.

Mr. KENNEDY. During this period of time, did John DeKoning join your group in opposition to William DeKoning?

Mr. BATALIAS. I don't believe there was a group at that time. It was just a situation that arose at the time.

Mr. KENNEDY. But he had started to oppose William DeKoning?

Mr. BATALIAS. Yes, sir. At the June meeting he got up and asked why his name was left off the slate. The recording corresponding secretary explained to him that the business agent was an appointed job, and that he could not be elected to office. One of the members of the

local, and there was a bit of a hassel, made a nomination that the business agent be made an elective position. It was carried unanimously.

The name of John DeKoning was then nominated to be elected to the business agent's office. The election was had verbally, a shout vote, and John DeKoning was elected to the business agent's position, by a majority. The only one opposing it was Verner Sofield, the recording corresponding secretary.

John DeKoning and the other officers were then sworn in.

Mr. KENNEDY. What happened after that, in September of 1954?

Mr. BATALIAS. At the next meeting in September of 1954—

Mr. KENNEDY. That is 3 months later?

Mr. BATALIAS. Yes, there were no meetings in July or August but there was a lot doing at that time, because of the opposition that arose to John DeKoning being elected to the business agent's position. At the September 1954 meeting, the minutes of the June meeting were read off. The name and everything in accordance with what had happened at the June meeting was omitted from the minutes.

Mr. William DeKoning, Jr.; who was then on probation, and barred from engaging in union activities, was present at that meeting and controlled the floor for approximately 3 hours.

Mr. KENNEDY. That would be in violation of his parole.

Mr. BATALIAS. Yes, sir.

Mr. KENNEDY. What did he do at this meeting?

Mr. BATALIAS. He told the membership that they could not elect John DeKoning to the business agent's position, that it always had been an appointive job, and it always will be, and that it was a violation of the constitution.

He had executive board minutes in his possession, and he read off where it had been made an appointed job and we couldn't change the way this union had been run.

Mr. Nolan—he is eastern district representative—was also present.

Mr. KENNEDY. That is Mr. Richard Nolan, N-o-l-a-n?

Mr. BATALIAS. Yes, sir.

Mr. KENNEDY. And he was representing the international at this meeting?

Mr. BATALIAS. Yes, sir.

Mr. KENNEDY. He is a very close associate of Mr. William Maloney; is that correct?

Mr. BATALIAS. Yes, sir, he is his direct representative in this area, in the New York area.

At this meeting, it took us until about 1 o'clock in the morning to have the minutes corrected. In other words, we insisted that they were incorrect, and that Verner Sofield had lied, and Mr. DeKoning was cooperating with the officials and trying to maintain control of the union in their hands, and we insisted on a secret ballot vote. At 1 o'clock in the morning, we accomplished that.

The minutes were then proved to be incorrect. In another commotion that lasted until 5 o'clock in the morning, we corrected the minutes to read that John DeKoning had been elected a business agent, and that the name of Charles Britton had not been elected to business manager's position.

We then attempted to elect the business manager. Richard Nolan, the eastern district representative, interceded and refused us the right

to elect our own business manager. He ordered the meeting to close, and he said that we would not be permitted to elect a business manager until the general president, William E. Maloney, ruled on the situation.

Mr. KENNEDY. So the meeting broke up about 5 a. m.?

Mr. BATALIAS. Yes, sir.

Mr. KENNEDY. What happened next?

Mr. BATALIAS. This was the first instance that there had ever been any secret ballot votes in local 138.

Mr. KENNEDY. Now, what happened then, and what followed?

Mr. BATALIAS. Following that, and in between meetings, John DeKoning was fired as a business agent and he was not permitted to sit in on executive board meetings.

Mr. KENNEDY. Who fired him as business agent?

Mr. BATALIAS. The president at that time, Charles Britton, fired John DeKoning.

Mr. KENNEDY. For what reason?

Mr. BATALIAS. I believe John DeKoning can explain that better than myself.

Mr. KENNEDY. You go ahead and tell your part, and then he can testify.

Mr. BATALIAS. At the next meeting which was a stacked meeting—

Mr. KENNEDY. What do you mean by "stacked meeting"?

Mr. BATALIAS. The doors to the meeting hall were locked.

Mr. KENNEDY. How were they locked?

Mr. BATALIAS. There were chains across the door. Inside the union hall, there was approximately 150 members sitting at the front of the hall, and they were having a regular gab fest in there with a lot of boys tearing and hollering. After the doors of the meeting were opened, we immediately saw what was about to take place, and this is rather unusual, the way they did this:

They quickly put a motion on the floor with no regular business to approve the actions of the executive board. They would not permit anybody to question the officers to find out what the actions of the executive board were. They refused to permit anybody to speak. They had a hurryup vote, and then they had another motion put on the floor appointing Jack Gunning as a business representative.

Mr. KENNEDY. Jack who?

Mr. BATALIAS. Jack Gunning.

Mr. KENNEDY. How do you spell his name?

Mr. BATALIAS. G-u-n-n-i-n-g.

The way these motions were made, they gave complete authority to the executive board to control the union. They had a hurry up vote on that, and then they closed the meeting. At this meeting there was a large majority of contractors that appeared who had never been in regular attendance at meetings.

Mr. KENNEDY. So when you talk about it being stacked, you mean there were so many contractors there?

Mr. BATALIAS. That is correct.

Senator IVES. That is just what I was going to ask. You say there were about 150, plus how many at that meeting?

Mr. BATALIAS. There were approximately 500 to 800 at that meeting.

Senator IVES. Five hundred to eight hundred at the meeting?

Mr. BATALIAS. Yes, sir.

Senator IVES. Then you really had your full attendance.

Mr. BATALIAS. It was a very large turnout. The two meetings in September and October of 1954 were the largest turnouts that local 138 ever had.

Senator IVES. Would you say that all of the contractors were there?

Mr. BATALIAS. To the best of my knowledge, they were told to be there.

Senator IVES. Thank you.

Mr. KENNEDY. By whom?

Mr. BATALIAS. I was informed by separate individual contractors that had been told that they were told to be there.

Mr. KENNEDY. To be at this meeting?

Mr. BATALIAS. Yes, sir.

Mr. KENNEDY. Then what occurred at the meeting? You approved of the executive board actions, and did you ever find out what the executive board actions were?

Mr. BATALIAS. Later on we found what they were, and we found that John DeKoning had been fired, and we also found out that the authority to run the local had been given into the hands of the executive board.

Mr. KENNEDY. And you had given over to the executive board the little control that was still in the membership?

Mr. BATALIAS. Complete control was given to the executive board.

Mr. KENNEDY. Then what occurred, and would you tell us what happened?

Mr. BATALIAS. Well, at the next meeting, the officers were very boisterous, and they had beat down the rebellion, and they had their own way. At this meeting a motion was made by one of the master mechanics to give the officers their usual Christmas bonus. I got up on the floor to ask what the Christmas bonus was. The president told me it was none of my goddam business. So I insisted and tried to be persistent to find out what the Christmas bonuses were, and they ruled me out of order, and they carried a shout vote. The shout vote knocked down the motion that had been made.

The CHAIRMAN. The motion was rejected?

Mr. BATALIAS. The motion was rejected. The president announced that the motion was carried.

I got up and asked for a recount, and they refused to give me a recount, and there was a commotion took place at that time, and he was ruling me out of order.

The members of the union started stamping their feet, and banging their chairs, and saying, "We want a recount, we want a recount." At that time, Verner Sofield leaned over to Charles Britton and told him to withdraw the motion. At the same time he threatened me. I wouldn't repeat the language that had been said.

Mr. KENNEDY. What did he say generally, without repeating the exact language?

Mr. BATALIAS. He told me I was going to get mine.

The CHAIRMAN. You are on the air, so be careful about your language. But you can make it an indication.

Mr. BATALIAS. He told me that I would get mine. That is all.

Senator IVES. May I ask a question there? How many were at that meeting?

Mr. BATALIAS. I would say about 300.

Senator IVES. And were all of the contractors present at that meeting?

Mr. BATALIAS. No, sir.

Senator IVES. They weren't?

Mr. BATALIAS. No, sir.

Senator IVES. I think you said at the other meeting, if I recall correctly, there are somewhere between 600 and 800; is that right?

Mr. BATALIAS. That is correct.

Senator IVES. You must have had some of the A people or B people.

Mr. BATALIAS. Oh, yes.

Senator IVES. They are all represented?

Mr. BATALIAS. They attend the meetings and they are allowed to attend the meetings, but they just sit there, and they are not allowed to speak or vote.

Senator IVES. Wait a minute. On this vote business, you say you have all of this shout voting, and we call them voice votes down here, but who knows whether they are voting or not?

Mr. BATALIAS. No one. In fact, there are times where we have attempted to find out who has been doing the shouting.

Senator IVES. Thank you.

(At this point the following members were present: Senators McClellan and Ives.)

Mr. KENNEDY. After this November meeting on the Christmas bonus, and you were told that you were going to get yours, what happened after that?

Mr. BATALIAS. The business agent, Jack Gunning, with Paul Konya, visited me on a project in Plum Island. They told me that I had to change my attitude, that if I didn't change my attitude, they would find me in the gutter. Well, I left part of it off, but I kept getting threatening phone calls, I was being followed, my activities were being watched. Up until the January meeting, in fact just before the January meeting, I received a phone call that told me to stay away from that meeting, otherwise I was going to get mine.

Mr. KENNEDY. Did you get yours?

Mr. BATALIAS. I got mine at the January meeting.

Mr. KENNEDY. Would you tell what happened there?

Mr. BATALIAS. At the January meeting, during the regular course of business, I got up and attempted to put a motion on the floor, to give the members of the A and B local the right to vote on matters pertaining to them.

I was ruled out of order by Verner Sofield, who was in the chair. Paul Konya was standing alongside of me, and he was saying to some of the other strong-arm men there "All right, let's give it to them now," or words to that effect. When I was ruled out of order by Verner Sofield, he ordered that I be thrown out. The strong-arm men at the front of the meeting hall then carried me out and gave me a going over in the vestibule just before they dumped me out on the pavement.

Mr. KENNEDY. What did they do with you?

Mr. BATALIAS. I was knocked out.

Mr. KENNEDY. Would you describe what happened to you?

Mr. BATALIAS. I had 2 men holding each arm, and I had 2 other men that were hitting me in the stomach, and I had 2 men giving me rabbit punches in the back of the neck.

The CHAIRMAN. Did you know them?

Mr. BATALIAS. I identified four of them; yes, sir.

The CHAIRMAN. Give their names?

Mr. BATALIAS. Paul Konya, George Welbourne, James Duffy, and another individual by the name of Edward Revere.

The CHAIRMAN. The fifth one you did not know?

Mr. BATALIAS. At that time I did not know him; no, sir.

The CHAIRMAN. Have you identified them since?

Mr. BATALIAS. They have been identified since; yes, sir.

The CHAIRMAN. Do you know who they were?

Mr. BATALIAS. Yes, sir.

The CHAIRMAN. Name them.

Mr. BATALIAS. Dennis Doyle and a Jack Kearns.

The CHAIRMAN. What position do they have in the union now?

Mr. BATALIAS. Jack Kearns—I do not believe he holds any position in the union. Edward Revere now works in the office. He was nominated for the presidency in the Mutuel Ticket Agents, but was defeated. At this time, the only position he holds is a clerk in the union office.

The CHAIRMAN. Do any of the others hold any official positions in the union now?

Mr. BATALIAS. The only official positions I know is Paul Konya and George Welbourne, they are the regular strong-arm boys.

The CHAIRMAN. They are used for that purpose?

Mr. BATALIAS. Yes, sir.

The CHAIRMAN. They are the official “beater-uppers”?

Mr. BATALIAS. Yes, sir.

Mr. KENNEDY. Spell their names.

Mr. BATALIAS. Paul K-o-n-y-a and George W-el-b-o-u-r-n-e.

He also uses the alias of George Hayes.

The CHAIRMAN. May I ask you if these men work on jobs, or do they just work for the union?

Mr. BATALIAS. George Welbourne and Konya usually get their salary from pushbutton jobs.

The CHAIRMAN. In other words, where they can be present for 5 minutes?

Mr. BATALIAS. They can collect from as high as three different jobs during the same week.

The CHAIRMAN. Do you mean collect from three different jobs?

Mr. BATALIAS. Yes, sir. The money is sent to the union hall.

The CHAIRMAN. Do you mean off of three different contractors?

Mr. BATALIAS. Yes, sir.

The CHAIRMAN. And that money goes to the union hall?

Mr. BATALIAS. Yes, sir.

The CHAIRMAN. Do you know how much of it they get?

Mr. BATALIAS. To the best of my knowledge, these men are given their pay envelopes and I don't know what happens to the others.

The CHAIRMAN. You don't know what happens to the others?

Mr. BATALIAS. No, sir.

The CHAIRMAN. In other words, they can take these men and sit at three different locations and push the button or supervise pushing the button?

Mr. BATALIAS. Yes, sir.

The CHAIRMAN. And collect a whole day's work from each contractor for the men?

Mr. BATALIAS. Yes, sir.

The CHAIRMAN. But that money goes into the union?

Mr. BATALIAS. Yes, sir.

The CHAIRMAN. And how much they get out of it, you don't know?

Mr. BATALIAS. No, sir.

The CHAIRMAN. All right.

Mr. KENNEDY. Back at the meeting again, at the time they were holding you and punching you, you were kneed; were you?

Mr. BATALIAS. Yes, sir.

Mr. KENNEDY. And you were knocked unconscious at that time?

Mr. BATALIAS. Yes, sir.

Mr. KENNEDY. When did you recover consciousness?

Mr. BATALIAS. I believe it was in the ambulance going to the hospital.

Mr. KENNEDY. You say you preferred charges against the people?

Mr. BATALIAS. Yes.

Mr. KENNEDY. Were there any witnesses?

Mr. BATALIAS. Yes.

Mr. KENNEDY. Would you tell us what happened when you preferred the charges?

Mr. BATALIAS. Are you referring to the assault case?

Mr. KENNEDY. Yes.

Mr. BATALIAS. There was a number of individuals, one particularly William Wilkens, who testified to what he had seen. The union attorney paraded approximately 20 members of the local which contradicted our testimony.

Mr. KENNEDY. Who was the union attorney at that time?

Mr. BATALIAS. The union attorney was James Blake.

Mr. KENNEDY. And he brought in about 20 people that contradicted your testimony about being beaten?

Mr. BATALIAS. Yes, sir.

Mr. KENNEDY. So these men were all acquitted?

Mr. BATALIAS. They were all acquitted; yes, sir.

Mr. KENNEDY. Was one of the witnesses that was brought in a Daniels?

Mr. BATALIAS. Yes, sir. James Daniels was one of the witnesses on behalf of the local union.

Mr. KENNEDY. What did he testify to at that time?

Mr. BATALIAS. He identified one of the assailants as sitting alongside of him. I don't remember the exact testimony, but in other words his testimony was to the effect that this individual had not taken part in the beating.

Mr. KENNEDY. And he was brought in by Mr. Blake, the union attorney?

Mr. BATALIAS. He was brought in by Mr. Blake, the attorney for the union; yes, sir.

Mr. KENNEDY. What happened to Mr. Daniels?

Mr. BATALIAS. Mr. Daniels has recently been convicted of grand larceny and sentenced to a year in jail.

Mr. KENNEDY. He was receiving money from contractors, was he?

Mr. BATALIAS. He was delivering money under fictitious names in pay envelopes to the local union.

The CHAIRMAN. Do you mean they were padding the payroll and the local union was getting the money?

Mr. BATALIAS. The names of fictitious individuals were submitted to the contractors so that they could keep their wage records correct. The money is put in these envelopes and a collector, on behalf of the union, comes around and picks up these pay envelopes and takes them back to the local union.

The CHAIRMAN. Do you mean there is no work done at all? Do you mean they just use some fictitious name to place on the payroll records?

Mr. BATALIAS. The policy of the union is that if the machine is run unmanned by a member of local 138, the contractor has to pay local 138 a day's pay for that machine, or for as many days as that machine is in operation.

The CHAIRMAN. And they use some fictitious name?

Mr. BATALIAS. In most instances; yes.

The CHAIRMAN. And that is carried, I assume, on the records of the company?

Mr. BATALIAS. Yes, sir.

The CHAIRMAN. And the union gets the money? That goes into the union treasury?

Mr. BATALIAS. That I do not know.

The CHAIRMAN. Or into the officer's pockets?

Mr. BATALIAS. It is a possibility.

The CHAIRMAN. And a probability. All right. Proceed.

Mr. KENNEDY. So these men were all acquitted of this beating of you; is that right?

Mr. BATALIAS. Yes, sir.

Mr. KENNEDY. What about you and Mr. Wilkins? Did anything happen in connection with the union?

Mr. BATALIAS. After Mr. DeKoning's probation expired, he returned—

Mr. KENNEDY. This is DeKoning, Jr.?

Mr. BATALIAS. Yes, sir, DeKoning, Jr. He returned in May 1954 and announced himself as president and business manager.

Mr. KENNEDY. How would he have been able to do that, if he had just been on probation?

Mr. BATALIAS. He claimed that the executive board had appointed him, that Charles Britton had resigned, and that William Maloney, the general president, had approved of it.

Mr. KENNEDY. This was just after he pleaded guilty to one of the charges?

Mr. BATALIAS. This was after his probation. In other words, after his probation expired, he came back.

Mr. KENNEDY. He came back in as president of the local?

Mr. BATALIAS. Yes, sir; immediately after it expired.

Mr. KENNEDY. What happened to the incumbent president?

Mr. BATALIAS. He claimed that he was sick, and was retiring.

The CHAIRMAN. There was no election?

Mr. BATALIAS. No election; no, sir.

The CHAIRMAN. Just the executive board. Mr. DeKoning came back and said, "I am your president, and the executive board elected me; Britton is resigning, and Maloney has approved it?"

Mr. BATALIAS. I even asked Mr. DeKoning to give the members an opportunity to approve the executive board minutes before he took office, but he took office before they were even approved.

Mr. KENNEDY. He took office as president. Subsequently, was there a bona fide election?

Mr. BATALIAS. No, sir; there has never been a bona fide election for the presidency.

Mr. KENNEDY. There was some election in which he was ultimately elected to that position, apparently.

Mr. BATALIAS. No, sir; he has never been elected to the presidency.

Mr. KENNEDY. Will you tell what happened, then? There was some kind of an election.

Mr. BATALIAS. At this meeting, I questioned Mr. DeKoning's activities, and he personally threatened to take care of me. At the next meeting I was brought up on charges and tried.

Mr. KENNEDY. What were the charges against you?

Mr. BATALIAS. Bringing disrepute into the local union for bringing charges against brother members.

The CHAIRMAN. In other words, if you bring any decency or democracy into the management of the union, that is disreputable conduct?

Mr. BATALIAS. That is correct.

Mr. KENNEDY. How had you brought charges against members of the local?

Mr. BATALIAS. How?

Mr. KENNEDY. Yes. What had you done? What were they referring to?

Mr. BATALIAS. They were referring to my complaints to the district attorney where the individuals had been tried on the assault case.

Mr. KENNEDY. So for bringing charges against these individuals that you said beat you, you were then brought up on charges by the union, for bringing the union into disrepute by bringing these charges against these people?

Mr. BATALIAS. Yes, sir; that is correct.

Mr. KENNEDY. You were found guilty on those charges?

Mr. BATALIAS. I was tried and found guilty and barred from attending meetings for 5 years, and fined \$750. The sentence was imposed by William DeKoning, Jr. He had the sentence all written out on a typewritten piece of paper before the meeting even opened, before the trial even started.

Mr. KENNEDY. Had they also include a charge about you speaking on the radio?

Mr. BATALIAS. No, sir, I have never been tried on that count. Mr. Wilkens was also brought up on charges for testifying at that trial.

Mr. KENNEDY. At the trial?

Mr. BATALIAS. Yes, sir. He testified under subpoena of the district attorney, and yet he was brought up on charges for bringing disrepute into the local union, just by testifying.

Mr. KENNEDY. Were any charges made against those who were indicted for beating you?

Mr. BATALIAS. No charges were made against those individuals.

Mr. KENNEDY. Just you two individuals that had testified at the trial at the request of the district attorney?

Mr. BATALIAS. That is correct.

Mr. KENNEDY. Were you later charged with bringing the union into disrepute by going on a radio program?

Mr. BATALIAS. Not myself individually. William Wilkens has.

Mr. KENNEDY. But not you?

Mr. BATALIAS. No, sir.

Mr. KENNEDY. You were telling about DeKoning taking over the local. He took over as president and you opposed that. You were brought up on charges?

Mr. BATALIAS. Yes, sir.

Mr. KENNEDY. And you were barred from attending union meetings for 5 years?

Mr. BATALIAS. That is correct.

Mr. KENNEDY. Have you had any connection with it since then?

Mr. BATALIAS. Yes. I have been engaged in a National Labor Relations Board action against the union.

I also appealed to the general convention in Chicago in 1956. There have been continuations of certain legal actions.

Mr. KENNEDY. You went on the radio program with Mr. Wilkens?

Mr. BATALIAS. Yes, sir. I appeared on the radio program with Mr. Wilkens. We were interviewed by Victor Riesel in conjunction with the collusion between local 138 and the contractors on Long Island.

Mr. KENNEDY. That was the same night—

Mr. BATALIAS. That was the same night that the acid was thrown in Mr. Riesel's face.

Mr. KENNEDY. But you have not been able to participate in any union meetings?

Mr. BATALIAS. I have not.

Mr. KENNEDY. You have been barred from that?

Mr. BATALIAS. That is correct.

Mr. KENNEDY. What control does the union have over the jobs of the operating engineers?

Mr. BATALIAS. Anybody who works as an operating engineer has to belong to local 138. The work is given out by the local union, and the contractors and the members are instructed that they have to get their jobs through the local office.

Mr. KENNEDY. Would it make it very difficult for you if you lost your membership in local 138?

Mr. BATALIAS. Very difficult.

Mr. KENNEDY. What is the position of the master mechanic in connection with all of that?

Mr. BATALIAS. The master mechanic supervises the hiring and firing of operating engineers.

Mr. KENNEDY. And out of your group, is it Mr. Lou Wilkens who is the master mechanic?

Mr. BATALIAS. He is a master mechanic; yes, sir.

Mr. KENNEDY. Do you depend on the master mechanic for your jobs?

Mr. BATALIAS. I believe everybody here in our group is dependent upon Mr. Wilkens. We depend upon Mr. Wilkens for our livelihood.

Mr. KENNEDY. If Mr. Wilkens is barred from the union, you might lose your jobs?

Mr. BATALIAS. I believe we would lose our jobs; yes, sir.

Mr. KENNEDY. Have attempts been made to oust Mr. Wilkens?

Mr. BATALIAS. Yes, sir; there have been attempts made. There were charges preferred against Mr. Wilkens approximately a year ago, and I believe a permanent injunction in the Federal court was obtained to prevent the union from bringing Mr. Wilkens up on trial.

Mr. KENNEDY. Were charges just made recently against Mr. Wilkens?

Mr. BATALIAS. Yes, sir. Mr. Wilkens is supposed to appear tomorrow night at a local union meeting to face additional charges.

Mr. KENNEDY. Is that tonight?

Mr. BATALIAS. Yes, sir; it is tonight. That is correct.

Mr. KENNEDY. What are the additional charges against him?

Mr. BATALIAS. I do not know exactly what the charges are.

Mr. KENNEDY. Well, we can ask Mr. Wilkens.

The CHAIRMAN. This particular examination that is now under way will have to continue for quite a long time, I am sure. This seems about as good a time as any to take a little recess for lunch. We will recess until 2:15.

(Whereupon, at 12:20 p. m., a recess was taken until 2:15, p. m., of the same day.)

AFTERNOON SESSION

The CHAIRMAN. The committee will be in order.

(Members of the select committee present at the convening of the session were: Senators McClellan and Curtis.)

The CHAIRMAN. All right, Mr. Counsel, the six witnesses are present that were being interrogated when we recessed.

TESTIMONY OF LOUIS WILKENS, WILLIAM WILKENS, PETER BATALIAS, CHARLES SKURA, GARRETT NAGLE, AND JOHN DeKONING—Resumed

Mr. KENNEDY. Mr. Nagle, I want to finish up the matter on which you were testifying, regarding your efforts to get into local 138. Could you tell us about that? You said that you made efforts on approximately four different occasions to try to get in from 138-A into 138.

Mr. NAGLE. That is true.

Mr. KENNEDY. What happened, and what were the mechanics of it?

Mr. NAGLE. After the strife started in local 138, I went to the executive board meeting on my own and I got in and made application. I was told to appear before the body at the next regular meeting which I did. They read off my name, and the application, and I was asked to leave the room while the men conducted a vote. There was a shout vote taken and I was rejected.

When I came back into the meeting room I was just told to sit down and they started to go into other orders of business, and so I asked the Chair, Mr. Britton was in the chair at that time, what happened to my application, and he said, "You were rejected."

I wanted to know why, and what was the reason, and he said, "There doesn't have to be a reason in this organization."

I tried to get the floor then and ask certain members who I worked with to stand up and vouch that I was a capable engineer, and in fact

in 13 years I am in the local I have only worked on a job that calls for an apprentice for only a year, and the rest of the time I worked as an engineer.

Then I was confused and shouted down, and told I was out of order and asked to sit down, which I did.

The next meeting, I made application again before the executive board, and I found out that William DeKoning, Jr., was back in, and at that time he told me that the executive board had appointed him a business representative.

So a couple of days later I went into the office and I talked to DeKoning about being rejected, and there should be some kind of a schooling system where a man could learn to be a capable engineer, and automatically be transferred into the parent body.

I also asked for other things, benefits for the members of the local. After discussing or talking to Mr. DeKoning for about 15 minutes, Mr. DeKoning turned to me, and he said, and I quote:

You go blank yourself. My old man ran this local for 25 years the way it is now, and I am not changing.

I left the office, and I went before the body again, and before the executive board again, and a total of 4 times, at least 4 times, I made application to the executive board, and a period before the body and requested secret ballots on my transfer, and I was refused. At one meeting Mr. DeKoning stood up and told the men:

Remember when you vote, it isn't the qualification of a man that counts. This is a fraternal organization. You judge him by his character.

Well, I still haven't gotten into the parent organization.

Senator CURTIS. Now, were you a member of the union so far as dues were concerned?

Mr. NAGLE. Yes, sir.

Senator CURTIS. How much initiation fee did you have to pay?

Mr. NAGLE. At the time that I joined the union in 1945, approximately \$150, and plus 3 months' dues.

Senator CURTIS. How much is it now?

Mr. NAGLE. Well, there are three different categories, and the price varies.

Senator CURTIS. What are they?

Mr. NAGLE. In the parent organization, which is the engineers, I believe it is \$350. In the A local, apprentices, it is \$200. In the B local, it is \$100.

Senator CURTIS. Who can join the B local?

Mr. NAGLE. Anybody that DeKoning chooses, and he hands the union books out to whomever he sees fit, and nobody in the B local comes before the body to be exempted.

Senator CURTIS. How about A local?

Mr. NAGLE. In A local you have to come before the body to be exempted.

Senator CURTIS. What is your monthly or annual dues?

Mr. NAGLE. \$8 a month.

Senator CURTIS. \$8 a month?

Mr. NAGLE. That is correct.

Senator CURTIS. So back in 1945 you had to pay about \$150 initiation?

Mr. NAGLE. I believe that is the correct figure.

Senator CURTIS. And you paid \$8 a month dues?

Mr. NAGLE. At that time the dues was not \$8, and it has been raised since then.

Senator CURTIS. And that makes you a member of the union but not a voting member: is that right?

Mr. NAGLE. That is correct.

Senator CURTIS. Now, what would be your job opportunities if you didn't belong at all?

Mr. NAGLE. If I didn't belong to the local at all, or to any union?

Senator CURTIS. Yes.

Mr. NAGLE. I just wouldn't get a job. Where there were union men employed, I wouldn't work. I have never worked in 13 years on a job, I never worked alongside of a man who wasn't a union member that didn't pay permit money.

Senator CURTIS. In other words, all you have gotten out of this money you have paid is permission to work, isn't that right?

Mr. NAGLE. No, there are other benefits. Out of the dues money you are talking about?

Senator CURTIS. Yes.

Mr. NAGLE. That is all. You get a life insurance policy.

Senator CURTIS. That is paid as part of the \$8?

Mr. NAGLE. It is taken out of the \$8.

Senator CURTIS. You don't know how much of that is life insurance and how much of it is dues?

Mr. NAGLE. I believe—I couldn't say, it is not more than 50 cents, and I think it is a 50-cent per capita tax is what goes toward your life insurance.

Senator CURTIS. It is a group life insurance arrangement?

Mr. NAGLE. That is right.

Senator CURTIS. Do they deliver to you an individual policy for you to keep?

Mr. NAGLE. No, I have no policy on that.

Senator CURTIS. And have you ever figured up or have you known it to be done, what the costs of collective bargaining would amount to?

Suppose a union were just charging you for the actual expense of negotiating a contract and representing you with management. You don't know what those costs would run?

Mr. NAGLE. I don't know. I wouldn't have any idea of that.

Senator CURTIS. That is all, Mr. Chairman.

Mr. KENNEDY. I have talked to Mr. William DeKoning, and he said that he had recommended you on the floor or recommended to the membership that you be taken into 138. Do you know anything about that?

Mr. NAGLE. Mr. Kennedy, I can't say that he didn't actually. I am in the other room. But if Mr. DeKoning recommended me, I guarantee that I would be taken into local 138. I will defy Mr. DeKoning now to recommend me to the body and let me go and get a transfer.

Mr. KENNEDY. When he testifies this afternoon, you will await his recommendation for you? You would like to have his recommendation when he testifies this afternoon?

Mr. NAGLE. I certainly would.

Mr. KENNEDY. And Mr. Batalias also said that the reason you were brought up on charges regarding testifying at this trial is that you

were never beaten in the first place. He said that you only stayed in the hospital for 15 minutes, and that the hospital records showed you were never beaten. Could you comment on that?

Mr. NAGLE. I was taken to Meadowbrook Hospital in an ambulance, and I was examined, and I was taken up to the X-ray room, and I was in a nervous state because my wife had been threatened and I didn't feel safe in the hospital. I asked to be released and the doctor advised me to stay there, and I had two friends of mine take me——

Mr. KENNEDY. What did the hospital or doctor's report say about you at that time?

Mr. NAGLE. To the best of my knowledge, the doctor's report stated that I had internal injuries, and there was no visible signs of a beating, and I can explain that for the simple reason that I had an overcoat on, and all blows were below my belt, and I was beaten in the stomach, and I had rabbit punches in the back of the neck, which knocked me out. There was no blows on my face.

After I had been taken to this home, a doctor had been called, and he advised that I be sent to a hospital and he recommended a private hospital and I was put in that hospital under a fictitious name, and I stayed——

Mr. KENNEDY. For what reason under a fictitious name?

Mr. NAGLE. So that no one connected with the union would be able to find me. I hid out. After being released from this Brunswick Hospital, I was given protection by the police chief of Amityville, and he assigned an officer to watch the corridor of the hall, and I was then taken to a private home and I was kept in that private home by friends of mine until the district attorney had made arrangements with the local newspaper in Nassau County that I be delivered to Nassau County district attorney's office.

I then was under the protection of the Nassau County Police for a period of about 6 months.

Mr. KENNEDY. You were in the other hospital and stayed there for how long?

Mr. NAGLE. I believe it was 2 days.

Mr. KENNEDY. Now, I would like to ask one of the witnesses, Mr. William Wilkens, to come forward, and I have some questions for him.

Before you go, Mr. Nagle, let me summarize: You have been in the union for 13 years and you cannot speak on the floor of the union?

Mr. NAGLE. Well, up until the time that the strike started, no, and I couldn't speak on the floor.

Mr. KENNEDY. But you now can?

Mr. NAGLE. I just get up and talk.

Mr. KENNEDY. You cannot vote in an election?

Mr. NAGLE. No, sir.

Mr. KENNEDY. And you cannot run for office?

Mr. NAGLE. No, sir.

Mr. KENNEDY. And your dues are the same as those who run the union?

Mr. NAGLE. That is correct.

Mr. KENNEDY. Mr. William Wilkens, will you come forward.

Mr. W. WILKENS. Yes, sir.

Mr. KENNEDY. Mr. Wilkens, you are in the local 138; is that right?

Mr. W. WILKENS. Yes, sir.

Mr. KENNEDY. You have the right to participate in the union affairs?

Mr. W. WILKENS. I did have; yes.

Mr. KENNEDY. You do not any more?

Mr. W. WILKENS. No; not since I was expelled for 5 years from attending union meetings.

Mr. KENNEDY. For what reason were you expelled?

Mr. W. WILKENS. Well, I answered a subpoena issued to me by the district attorney of Nassau County to appear as a witness in the assault trial of Peter Batalias, and after that trial I was brought up on charges for bringing the union into disrepute by being a witness at this assault trial.

At my trial the judge, who was William C. DeKoning, Jr., read off the sentence to me, which was already prepared on a written piece of paper, and I was expelled from the union meetings for a period of 5 years and fined a total of \$650 and I was told that the facilities of the union office would not be accorded to me any more in that period.

Mr. KENNEDY. So you are out of the union as of this time or suspended?

Mr. W. WILKENS. I am suspended from union meetings, which cuts off my power to talk at union meetings.

Mr. KENNEDY. You still pay your dues and you are a member of the union, but you cannot attend union meetings?

Mr. W. WILKENS. That is correct.

Mr. KENNEDY. Included in that was the fact that you appeared on this program with Victor Riesel?

Mr. W. WILKENS. That was the first trial that they brought me up on.

Another trial I was brought up on, I was listed with 7 charges, and 1 of which was that I picketed the local union hall at the Labor Lyceum in Uniondale asking for a job, and the signs read, "Mr. George Meany, please help us. AFL-CIO on ethics, we need your help. We want a job."

I also went to the international union headquarters here in Washington, D. C., and picketed their building.

Mr. KENNEDY. You picketed the international headquarters of the Operating Engineers?

Mr. W. WILKENS. Yes, sir; we did. We were desperate and we needed a job, and we kept sending telegrams to Mr. Maloney, and to Mr. Paul Larson, his chief assistant, saying we needed help, and we wanted someone to come down there, and we got no answer.

Mr. KENNEDY. Did Mr. Maloney help you?

Mr. W. WILKENS. He never helped us at all.

Mr. KENNEDY. Did he ever indicate or show any interest in the matter at all?

Mr. W. WILKENS. Yes; at an executive board meeting of the AFL-CIO, at the Poconas, that is the resort place of Dave Dubinsky's union. We appealed them to the AFL-CIO committee on ethics, and I met Mr. Maloney in that lobby, and said, "May I talk with you?" and he said, "I only have a couple of minutes. What have you got to tell me?" I said, "It is only this: That Thomas Ikard, who is an engineer of 138, and myself are here appealing to the committee on

ethics to come down and clean up our local. We need a job and we are being kept out of work."

He said, "Well, you know, Bill, there are 2 sides to every story, sometimes there are 3. And DeKoning tells me that you guys are just a bunch of troublemakers." So I said, "Is it being a troublemaker by persistently asking for a job? Is it being a troublemaker by going to the union office and asking to see a copy of the work list, and a copy of the working agreement?" We don't have any of those.

Mr. KENNEDY. At that time you could not even see the contract under which you were working?

Mr. W. WILKENS. We have never seen a copy of the working agreement up until this time, when a spotlight of publicity has been on DeKoning down there.

(At this point the following members were present: Senators McClellan and Curtis.)

Mr. KENNEDY. But up until the period of the last year or so, you were never able to even see a contract?

Mr. W. WILKENS. I never saw a word and no member in the union was allowed to even see a copy of it. The only men that ever had a copy of the contract were maybe 4 or 5 master mechanics.

Mr. KENNEDY. How about when you were negotiating the contract? Wasn't there a group of the membership that negotiated the contract with the employer?

Mr. W. WILKENS. They were always handpicked. They were usually delegates and a couple of master mechanics.

Mr. KENNEDY. It wasn't the people working on the job that negotiated the contract?

Mr. W. WILKENS. Never. The men never sat in on the negotiating of a contract in the history of local 138.

Mr. KENNEDY. Didn't they submit it to see if they approved it?

Mr. W. WILKENS. Never. A contract has never been submitted for approval, a contract has never been submitted to get further ideas or proposals by the rank and file.

Mr. KENNEDY. In fact, when you asked to see the contract, you were not allowed to see it?

Mr. W. WILKENS. I remember one particular instance when a man asked to see a copy of the working agreement, and a goon, by the name of George Welbourne, attacked this man verbally. I asked Verner Sofield, the recording secretary, for a copy of the working agreement, at the time I also asked him for a job.

George Welbourne backed me up to a locker and abused my dead mother and my wife.

Mr. KENNEDY. What is George Welbourne's record?

Mr. W. WILKENS. Well, he has a record, I will say that much.

Mr. KENNEDY. Has he done any fighting himself?

Mr. W. WILKENS. Yes; he used to fight under the name of George Hayes. He used to be a professional boxer.

Mr. KENNEDY. Is he part of the group that keeps the members in line in 138?

Mr. W. WILKENS. Yes. He is a part of the group with Paul Konya, Jim Duffy, and Dennis Doyle, who are always in front of the union hall. And our union hall, we have a bunch of wooden chairs, and we have a dais, which is up in the front.

The doors of our union meeting always had chains and padlocks on them that you couldn't get out of there if you tried. And they were there until we made a complaint to the Uniondale Fire Department and the fire marshal came and ordered them to take the chains and padlocks off the doors, and also to change the structure of the building, which they complied with.

Mr. KENNEDY. Did you mean the chains and padlocks were on the doors during the union meeting?

Mr. W. WILKENS. On the inside of the door. Sometimes there were four or five hundred men in that union hall and all the doors were padlocked. You couldn't get out if they had a stick of dynamite.

Mr. KENNEDY. You were complaining or tried to complain of some of these things to William Maloney at this meeting?

Mr. W. WILKENS. Yes; at this meeting in the Poconos, I complained of the conditions that still existed, even though he sent a couple of guys from the international to investigate. I said the conditions still existed, and DeKoning, Jr., still refused to give us a job, that we were refused a copy of the working agreement, that we couldn't even get copies of the constitution, and we could not see the work list.

Mr. KENNEDY. What did Mr. William Maloney say for you to do about it.

Mr. WILKENS. Mr. Maloney said, "Well, I will give you this promise. You go back to Long Island right now, and, by tomorrow morning, when you go to the union office, you will be given a job. I promise you that."

I said, "That is good enough for us."

He said, "We will not bother you any more."

We went directly home, and the following morning we went to the union hall and we asked for a job, and we were told "You blankety-blank rebels will never get a job out of this office as long as we are here in power."

Mr. KENNEDY. Who told you that?

Mr. W. WILKENS. Verner Sofield.

Senator CURTIS. Were there jobs to be had?

Mr. W. WILKENS. There were plenty of jobs, Senator. There was plenty of work at this time on Long Island.

Senator CURTIS. Are you a family man; are you?

Mr. W. WILKENS. Yes, sir; I have three children.

Senator CURTIS. Were you unemployed at the time, then?

Mr. W. WILKENS. Yes; I was.

Senator CURTIS. How long did your unemployment exist by reason of this arbitrary action?

Mr. W. WILKENS. Well, it varied. I would say I lost a period of 3 months since this fight started. That is over about a 4-year period. The reason that I have lost that work is not because of my capability of operating equipment. It is on the record, and DeKoning, Junior, incidentally, admitted to Maloney that I am a pretty good crane operator. I can run any type of equipment that is called for within our jurisdiction out on Long Island, and still I am kept out of work because of my opposition to the regime of DeKoning.

Senator CURTIS. Did I understand that you took this story to the ethical practices committee of the A. F. of L.-CIO?

Mr. W. WILKENS. Yes; I spoke to Mr. David Dubinsky and Mr. Potofsky.

Senator CURTIS. Do you happen to know who constitutes that practices committee?

Mr. W. WILKENS. I can recall that Mr. Al Hayes is the chairman, there is a Mr. Potofsky, a Mr. Dubinsky, and I believe there is six others, which I cannot recall at this time.

The CHAIRMAN. Mr. Harrison, George Harrison?

Mr. W. WILKENS. George Harrison and someone else.

Senator CURTIS. Can the staff supply those names?

Mr. KENNEDY. Hayes, Potofsky, Dubinsky, Harrison.

Mr. W. WILKENS. Curran, I believe, is another one.

Mr. KENNEDY. Joe Curran.

Mr. W. WILKENS. I may state at this time when I talked to these gentlemen, they said that we had a serious problem, and it certainly was a black eye to labor, what was going on. But being that the permanent chairman, Al Hayes was at his own convention, they said they would take this matter up with him. They said they were well read up on the subject of local 138, being that it was covered pretty well by the press, and that they would get in touch with us further on.

Senator CURTIS. How long ago was that?

Mr. W. WILKENS. I believe it was in 1956.

Senator CURTIS. Did they get in touch with you?

Mr. W. WILKENS. Yes; I received a letter saying that they were going to take the matter up. And since that time, I have learned that they are more or less holding up a report because of this investigation that is going on, this Senate investigation. I believe I am correct in that.

Senator CURTIS. That is all, Mr. Chairman.

Mr. KENNEDY. Have you approached William Maloney other than that one time that you saw him at the Poconos?

Mr. W. WILKENS. Yes. I had to appeal, according to our constitution, if you are brought up on a trial, and convicted, you have to appeal to your general executive board here in Washington. That is the international executive board. Peter Batalias and myself, we both appealed, and we came here to Washington—I cannot recall the date—and while waiting for another witness who was giving testimony about his case down in Virginia, we witnessed a business manager of this Virginia local getting up from his chair and kicking this old guy in the belly, right before Maloney's eyes. Maloney just kept on conducting the meeting. Afterwards he was interviewed, and his answer was, quote, "Well, I think he actually kicked the chair, but, after all, it is not unusual for somebody to get kicked in the belly at our union meetings."

Senator CURTIS. Where did this happen?

Mr. W. WILKENS. This happened right in the international executive board here in Washington, before the international executive board.

Senator CURTIS. What is the street address?

Mr. W. WILKENS. It is Northwest K Street.

Mr. KENNEDY. It is the old headquarters of the Operating Engineers?

Mr. W. WILKENS. The old headquarters, yes. Since then they have a new building.

Senator CURTIS. Do you remember when it was?

Mr. W. WILKENS. The address is 1001 K Street.

Senator CURTIS. No, I say, do you remember when it was?

Mr. W. WILKENS. That this happened?

Senator CURTIS. Yes.

Mr. W. WILKENS. October 12, 1955.

Senator CURTIS. You say the victim was an old man?

Mr. W. WILKENS. He was an old man, an old-time engineer from a Virginia local.

Senator CURTIS. What had he done to provoke such an assault?

Mr. W. WILKENS. He gave testimony at this general executive board that this business manager of the union was an alcoholic, that he was being treated by the AA, that he was running the union in an undemocratic manner, that he was a dictator. Well, that is as far as he got. That is when he got the kick in the stomach, and he got up and left.

Senator CURTIS. Who was presiding over the meeting when it happened?

Mr. W. WILKENS. William Maloney, the general president.

Senator CURTIS. The international president?

Mr. W. WILKENS. Yes, sir.

Senator CURTIS. He did nothing?

Mr. W. WILKENS. He did nothing. He didn't do anything verbally, physically, or anything else. He just sat there. He just said, "All right, you fellows are next, from New York. Come on."

Senator CURTIS. And did he make some remarks in defense of the man that did the kicking, is that right?

Mr. W. WILKENS. Yes. He didn't even chastise the man in our presence, on the record. He didn't say anything. But he did give a quote to the newspapers. He said it is not unusual for a member to be kicked in the belly at our union meetings.

The CHAIRMAN. Was he telling the truth?

Mr. W. WILKENS. I guarantee you he was telling the truth.

Senator CURTIS. You know, that is astounding to me.

Mr. W. WILKENS. Well, it is the truth.

Senator CURTIS. I believe you are telling the truth. But that situation is——

Mr. W. WILKENS. I defy DeKoning, Junior, to say I am perjuring myself. I am telling the truth.

Senator CURTIS. No, I know you are giving a correct account. But I have more faith in the goodness and honesty of the rank-and-file people who make up our employment rolls of the country to believe that those things are necessary. I do not think they have to be ruled by violence. I think it is just inexcusable on the part of these labor leaders, and not only those that commit the violence. They are the lesser offenders. But these top officers, who tolerate it, and many of them who came to power by reason of violence, are the ones I am referring to. I think they are the greatest offenders in our economy.

Mr. W. WILKENS. Senator, if we could come up with some sort of legislation to take the easy buck out of the pockets of some of these labor leaders, you would have a decent labor movement.

That is all we are fighting for, decent labor movements. That is all our fight is about.

Senator CURTIS. That is what this committee, I think, is interested in. In that connection, do you have any specific recommendations as to what could be done by law that would put the power of running unions where it belongs, in the rank-and-file members, and curb the powers of these thugs and racketeers?

Well, it is too much power for good men to have, let alone thugs and racketeers. Do you have any recommendations about what we ought to do?

Mr. W. WILKENS. Well, I can only think of a few, but I am sure we could list 20 when we think of this and write it down. The first thing that has to be said, as I said, is that you have to take the easy dollar away from these union leaders, where they are allowed to come on the job and make a deal with the contractor, the collusion with the contractor, where they have the power to say to the contractor, "Now, look, you can run this job, and with the 10 engineers here, you can only have 5 engineers, that is O. K., as long as you take care of me," and then go to the other fellow and say, "Look, you haven't been paying me off. You have 10 machines here and you have to have 10 engineers."

That is the easy buck. That has to be done away with. The elections at the unions have to be done in true bona fide manner.

They have to be governed by some sort of agency. In our union, throughout the country, we can prove that there is no democracy whatsoever. A man has no freedom of speech, and he is not allowed to vote for whom he wants. He can't even make a recommendation to have a rank-and-file member to go to a convention.

Senator CURTIS. You used the expression "throughout the country." What do you mean by that?

Mr. W. WILKENS. By that I mean practically 70 percent of the locals in the international have undemocratic policies.

Senator CURTIS. Your particular international?

Mr. W. WILKENS. Our international.

In fact, I venture to say that more than 50 percent of them are run by a dictator, and a dictator is William Maloney. He is the No. 1 man. He appoints and disappoints. He fires and he hires. After all, Senator, if I am the general president of a union and I say to you, "Here, you are going to be a vice president. I will give you \$30,000 a year salary, \$15,000 a year expenses, but when I want you to vote for me, you know the way to vote."

"Here you are, Mister, I am going to give you a job, at \$10,000 a year."

In other words, he has the power to say to a man "You are going to eat oatmeal every day," and he has the power to say to another man, "You are going to eat steaks three times a day."

That power has to be taken away. That is the soreness that is in this union.

Senator CURTIS. I assure you that I believe that every member of the committee will be most anxious to receive any further and detailed recommendations as to how to accomplish these objectives, as time goes on.

I admire you men for coming here and telling your story.

MR. W. WILKENS. We appreciate that, Senator. I want to make this statement for the record, that we will make recommendations, but we also want for the record to show that we are fighting for nothing but decent trade unionism. We are here to keep our union together. We don't want our union dissolved. We just want the guys that are running it in an undemocratic manner. They don't belong in the labor movement. William DeKoning, Jr., to us is nothing but a black eye to the labor movement. He has a record and morally he should not be a leader of a bunch of men whose livelihood is in his hands.

The CHAIRMAN. What about Maloney?

MR. W. WILKENS. Maloney is in the same category, only on a bigger level.

The CHAIRMAN. Don't you think the ethical practices committee has a job here to do?

MR. W. WILKENS. Yes, sir. They should throw him and all of his crooks out with him.

The CHAIRMAN. You do not want the union thrown out, as such?

MR. W. WILKENS. No, sir. We want the union to stay as a union.

The CHAIRMAN. You want a union that is operated by leadership that is worthy to be members of the AFL-CIO federation?

MR. W. WILKENS. Yes, sir. And we challenge the leaders of our international to get something on black and white, legalized documents, to give protection to the rank and file. There is no protection of the rank and file in our organization. It is a one-way street. They get a pension, and we don't get a pension. They get vacations, but we don't get vacations. We are the slobs that have to run the machinery to pay them.

The CHAIRMAN. What is the status of your complaint before the ethical practices committee now?

MR. W. WILKENS. I believe we submitted them our 12-point plan.

The CHAIRMAN. What I am trying to determine is this: Is the ethical practices committee now actually considering these charges against your officials in the way your union is run?

MR. W. WILKENS. The only thing we have from the ethical practices is a letter from Al Hayes to myself which stated "Your case is being considered, it is being studied." Through the newspapers, I have read, and I have them home and on file, that this committee requested the ethical practices committee to hold up on rendering a decision in regards to our union until this committee was finished.

The CHAIRMAN. I think that is an error. I don't remember having signed any such letter. I haven't asked them to hold up anywhere any time that they had a job to do that needed to be done. From the testimony already developed in these hearings, that the San Francisco area alone should engage the attention of the ethical practices committee.

In my judgment, as we go further and further into the operations, based upon what you are testifying to, and other witnesses here, and other testimony that I have good reason to anticipate is going to be produced at this hearing, I think the ethical practices committee could begin holding hearings on this tomorrow, that it could begin deliberating on it. Certainly by the time we get through here, I think it will be incumbent upon them to go into this matter thoroughly, and take such action as is within their power to clean up this union.

Based on the testimony to date, it is a national disgrace, the way this international union is run.

Mr. W. WILKENS. I can assure you a telegram will be sent to Mr. Al Hayes, the chairman of the committee on ethics, right tonight, after this is over with, requesting that.

Mr. KENNEDY. Tell us what happened when you came down here to Washington. You appeared before Mr. Maloney after you saw the man kicked in the belly. What happened after that?

Mr. W. WILKENS. They ruled that they will reduce the fines down to \$100 each, but the suspension of 5 years from the union meetings would be upheld. Then we proceeded to the Chicago convention. They have a convention every 4 years, our international. The first day that Pete and I got there we tried to see Mr. Maloney. I think it is easier to see the President of the United States, because we never could get to see him. When we finally cornered him once, he says, "I am a busy man, with a lot of committees. I am a very busy man. Go see that committee on appeals. Go see the appeals committee."

We went with our lawyer, William Keating, and we tried to have him sit there so we could tell our case. They refused to let him sit there. They said, "No outside attorneys. You fellows are here on your own."

We told them our case. We appealed to them to come down and investigate DeKoning, investigate our charges, and of the corrupt situation, of the collusion of the contractors and DeKoning. We must have talked for 2 hours. Well, nothing was done.

They refused to let us talk on the convention floor. We wanted to get on the convention floor and appealed to all of the delegates there. They refused this. They wouldn't let us even go into the convention until we gave a strong appeal to it, and they finally let us set upstairs in the balcony.

We were sitting up in the balcony during the convention, and the appeals committee chairman says: "The case of Peter Batalias, and William Wilkens, down at local 138. Their appeals were considered and it is decided that we are not in favor of their appeals. The committee is denying it. What is your pleasure?"

And everybody got up, "Yes," down, so we were knocked out. So that meant we were entitled to appeal to the courts, which we did. We took an appeal to the court in New York, Long Island, and that is being—

Mr. KENNEDY. That is still in the process?

Mr. W. WILKENS. Yes.

Mr. KENNEDY. What about in Florida, did you go to Florida to see William DeKoning, too?

Mr. W. WILKENS. I did not go, but John DeKoning and Garrett Nagle went.

Mr. KENNEDY. I would like you to summarize for the committee what you feel are the undemocratic processes and procedures that have occurred in the union, and some of which are still going on.

Mr. W. WILKENS. I feel that the most serious violation is the curtailment of a rank-and-file's right to speak. You are nothing but a second-class citizen. Even though some of these men in the A and B local have been paying dues for 10 and 15 years, a guy can't even get up and make a vote. He can't say anything about the union. The only fellows that can vote are the engineers.

Mr. KENNEDY. So the lack of the right to vote is one.

Mr. W. WILKENS. The lack of the right to vote. The lack of the right of freedom of speech, which is one of our freedoms, or supposed to be, anyhow. Another one is the goon system, the goon system of being at every meeting and abusing a man verbally, not even letting him speak, when an engineer can get up to talk or make a motion. He is so harassed by these goons that it is impossible. Another one is—

Senator CURTIS. At that point, do those goons resort to violence?

Mr. W. WILKENS. No; they don't have to, Senator. They have at times, in regards to Pete and a couple of others, but they don't have to. Put yourself in a member's position that gets up and tries to make a motion. He is on the floor.

He stands up. Before he has 3 words out of his mouth, there are 6 guys standing by him, calling him every vile name you can think of, and shouting, and the fellows in the back can't even hear the fellow making the motion. So by that time it is done with. DeKoning, Junior, who has been the chairman at most of our meetings, just grins, and he is as happy as a lark, because he loves this. He loves power, and he has certainly shown it down there in 138. It is impossible for a man to talk at the union meeting.

Another one is the undemocratic policy of the international constitution in regards to trials. In the history of the International Union of Operating Engineers, I have read an awful lot of magazines which gave a statement of the trials that take place, and it shows the appeals of all of these different members. All you see at the bottom is "appeal denied," "appeal denied." It is a system throughout the whole international.

I have never seen a case where it has been reversed, where they said to the guy "O. K., we will give you a second chance." There are no second chances in our union.

Senator CURTIS. What is the procedure followed, at the local level, first?

Mr. W. WILKENS. At the local level is you are presented with a copy of charges. You are supposed to answer those charges within a couple of weeks. After answering those charges, DeKoning, junior, sends you a letter and says, "O. K., you are going on trial tonight. Be here." So you appear there. It is your privilege under the constitution to have your own attorney, that is, from within the rank and file. I will give you a good example. At my trial, or at Pete's, we had a couple of rank and file as our attorneys. We brought in a stack of newspapers. We brought in a stack of records. We brought in other papers pertaining to our case, which we wanted to support our defense with. The prosecutor is always Verner Sofield. He is one of the chief lieutenants of DeKoning. The other assistant prosecutor is Jack Gunning, a business agent. The judge is William DeKoning, Jr. He sits here, and the trial starts.

"Prosecutor: I want to look at this newspaper. Look at this picture. I have a photo. Pete was sitting with Bill, and Bill was sitting with Pete. I want to submit this paper."

"All right."

"I want to submit this picture."

"O. K."

He gets all through submitting a pile like this. When it comes to Joe Blow, the rank and file, the prosecutor says: "I would like to submit"—and this prosecutor says "That is no good. We are not interested in that. That is out of order."

And that is denied.

The next thing is "I would like to submit a newspaper."

"We are not going to listen to this."

That is denied.

"Mr. Chairman, isn't there a chance for us to present——"

"No good. You can't do it."

So you are either so tired and disgusted, after 3, 4, or 5 hours trying to submit evidence, which we were at one time—we got so disgusted and wrought up we walked out and let them do what they want to.

But usually the procedure is that you are denied everything. And then he says "O. K."

He picks up a paper that has a whole list of things written down, and he says, "With the power that is vested in me, I sentence you to 5 years expulsion and \$650 fine, and you ain't going to use the facilities of this union for that period."

He would say "That is the power that is vested in me."

Everything is the power with this guy, Dekoning, Jr. It is not, as he says, a fraternal organization, because in a fraternal organization you would come on and say "This is your meeting, you are entitled to participate."

It is not with this guy. He would say "You are out of order, sit down." That is the way the trial goes.

The CHAIRMAN. You said he had the sentence already written out before the trial started?

Mr. W. WILKEN. Yes, sir; and he had a big piece of paper with the thing already written out, and he read it right off the paper.

We thought we were entitled at a couple of trials to have a lawyer. The union lawyer was there, and we objected to it. That was perfectly O. K., "honky dory," but we tried to get Bill Keating and Burny Fitzpatrick at one of our trials. That is not allowed.

The CHAIRMAN. They could have an outside lawyer or the lawyer representing the union there to prosecute, but you couldn't have your lawyer?

Mr. W. WILKEN. He didn't actually prosecute us, but he was right next door, and every once in a while Sofield would consult with him.

The CHAIRMAN. He was aiding and assisting and abetting in your expulsion, and you couldn't have an outside lawyer?

Mr. W. WILKEN. No, sir; we were refused. Everytime we asked to have our lawyers, we were refused. I might point out at this time for the record that we have labor lawyers representing ours, because we are fighting for decent trade unions. William DeKoning has a good lawyer, but he is a criminal lawyer and not a labor lawyer, and if you are a union leader there is no need for having a criminal lawyer and you should have a labor lawyer. That is what we need in our union.

The CHAIRMAN. I am not trying to draw that distinction, whether a lawyer is criminal or not. Some are called criminal lawyers when they represent people charged with crime. Some are criminals in fact, possibly.

MR. W. WILKEN. I didn't mean it in that light.

THE CHAIRMAN. I would like before we proceed any further to go back to this meeting here in Washington, where the old man got kicked in the belly. You were called next. I don't believe we ever finished that scene. I would like to carry it on through.

MR. W. WILKEN. If it is all right, I would like Pete to explain it, because Pete is pretty good on this legal memory, and what took place.

THE CHAIRMAN. Counsel tells me that you did refer to what happened thereafter. I probably was preoccupied with something else.

MR. KENNEDY. If there are some more details, that is all right.

THE CHAIRMAN. Mr. Batalias, you were there, and you saw what preceded this just before you were called on.

MR. BATALIAS. The only complication that I would say really existed was that Mr. Maloney was, naturally, assisted by counsel; and he is experienced, and he tries to twist him up in doubletalk and technicalities. I, at all times, tried to confine myself to the requirements of the constitution, and he tried to lead me away from those requirements. And when I insisted on it, that he stick to the constitution, he referred to me as being very obnoxious. So, at the final conclusion, we did get our appeal across.

THE CHAIRMAN. Were you permitted to testify?

MR. BATALIAS. Yes, sir; we were.

THE CHAIRMAN. Were you abused in any way?

MR. BATALIAS. No, sir; we were not.

THE CHAIRMAN. Physically, that is.

MR. BATALIAS. No, sir.

THE CHAIRMAN. You were not?

MR. BATALIAS. No.

THE CHAIRMAN. You were not?

MR. W. WILKEN. The only thing that was close to that, we had a briefcase with us and DeKoning, junior, very excitedly grabbed the briefcase and he said, "These guys have a microphone in here, and I want you to examine all of their records. Open it up and see if it has a microphone or a bug in it."

And we told them, "They can open up any briefcase we have," and we opened our pockets and told him to search us, too. We said, "We don't believe in having bugs and microphones, and we speak the truth and we don't need them."

THE CHAIRMAN. All right; what relief did you get from that meeting or that trial?

MR. W. WILKEN. None whatsoever except that they very good, naturally; reduced the fines from \$760 down to \$100 each, which we paid with a check, which was a protest check, which was signed that way.

THE CHAIRMAN. All right; proceed.

MR. KENNEDY. Who is the attorney for the union that participates in these trials that you have at the local?

MR. W. WILKEN. Well, they have two union attorneys to my knowledge, James J. Blake and Harry Kutner; and I have witnessed Henry Kutner at some of these trials.

James Blake has been at the union hall at times of meetings.

MR. KENNEDY. Now, just going back, what was the name of the man who was kicked?

MR. W. WILKEN. Fred Wolling.

Mr. KENNEDY. W-o-l-l-i-n-g?

Mr. W. WILKEN. Yes; I believe so. From a Virginia local.

The CHAIRMAN. Did he have counsel or anyone there to represent him?

Mr. W. WILKEN. He was there by himself.

Mr. KENNEDY. Was there any other incident on that point?

Mr. W. WILKEN. I would like to point out in reference to a Judge Byers' decision, where he upheld our appeal and that was in regard to the matter where Lou Wilkins had a copy of the welfare-fund report and showed it to our lawyer and DeKoning, junior, made a big stink over it and brought him up on charges and he was going to bring him up on a trial.

Mr. KENNEDY. You will have to explain that.

Mr. W. WILKEN. Well, Judge Byers in part of his decision said, "I can readily see about the presidency or the power of the presidency," and he read from the constitution and the language in which article XXIII, subdivision (4), is couched, is:

Such as to cover nearly any action on the part of a member of the union which the presiding officer might choose to condemn, because if an individual member of a local objected to any ruling of the presiding officer, he might thereby create dissention among the members.

Mr. KENNEDY. The judge pointed out that the constitution of the international was written in such terms that the president of a local could bring almost any charge or could bring a charge against any individual who opposed him and thereby exclude him from the union. It was couched in such general terms, the constitution of the international; is that right?

Mr. W. WILKEN. True That is true.

Mr. KENNEDY. That is what he objected to?

Mr. W. WILKEN. That is right.

May I say one more thing? You asked me to point out a few things about what was wrong with the union. One of the most serious things wrong is the financial end of the union. Of all of the funds in the union, we have no accounting of it. We had no accounting of any union fund up to the time we instituted an NLRB action and at that time we got a couple of reports. But the moneys of the union, the expenditures, who gets what salary, and who gets what expenses, and the phone bills, and any disbursements, we are all in the dark about it.

Mr. KENNEDY. Have you requested to see them?

Mr. W. WILKEN. We have requested many times. John DeKoning at one meeting requested the treasurer to see the books and he even asked him what color the books were. We have never actually known how much money we have in our union.

Mr. KENNEDY. You never have been able to see the books?

Mr. W. WILKENS. No, sir.

Mr. KENNEDY. Does he submit a financial statement to you?

Mr. W. WILKENS. He reads a financial statement once in a while, which is read off.

Now our financial report should be very long and detailed because of the work that is done out there.

And he may have six pages of financial reports to read, and it is read in this manner:

\$100,000 is for ----- and this section is -----.

It is done like that. It is done in 2 minutes, and nobody knows whether he had \$1,000 figures or \$1, or \$1 million. It is all a complete mystery to us in the welfare fund and the defense fund, and general fund, or any other moneys in the union.

Mr. KENNEDY. Who reads the financial statement?

Mr. W. WILKENS. A fellow by the name of Tom O'Donnell. He is either an auditor or trustee, or something like that.

Mr. KENNEDY. But have you ever requested permission to see the books yourself?

Mr. W. WILKENS. Yes, sir.

Mr. KENNEDY. Have you been given that permission?

Mr. W. WILKEN. In almost every meeting we have made the request and we have never been given that permission.

Mr. KENNEDY. So as I understand it, up until at least a short time ago you weren't able to see the contracts under which you work and you haven't been able to see the books of the local which control your finances, to show how your money is spent; is that right?

Mr. W. WILKENS. For 23 years, I would say, we never even received a copy of the constitution. A lot of men did not even know there was a constitution of the international.

We have never gotten a copy of the working agreement, and we have never gotten copies of the financial reports. The closest we ever got to actually getting an individual copy of the financial report was when someone said, "There is a violation of the Taft-Hartley law there; we will post it up in the union hall." And it was never done.

There is one more point, and I probably am going to be shut off here, I am talking so. One point I would like to bring out is this: If you are running a union on the up and up, there is no need for a wooden panel where a man comes in and sits in a 4-by-4 room and freezes himself waiting there, and he has to knock on what we call a Gestapo panel, a wooden panel instead of a clear glass window, and he slides it up, this fellow who is there, Sofeld or DeKoning, and says, "What do you want?" "I am out of work." They say, "There is no work for you," and down it comes.

But if he recognizes you or you are one of the boys, they press an electric buzzer, and they let you in the office.

There is no dayroom there, and no glass windows where you can at least see your offices. Half of the time you get there and you don't even know who is in the office. So everything is a mystery in local 138.

Senator CURTIS. How big is that chamber?

Mr. W. WILKENS. I would say it is about 5 feet this way, and maybe 10 feet this way, and for years and years there was only 1 or 2 wooden folding chairs there. It is an old wooden building, an old wooden room.

Senator CURTIS. Is there any heat in that room?

Mr. W. WILKENS. There was no heat, and then I finally put a little radiator in there, but actually there is no heat, and the men sit out in their cars and they run the motors of the car with their heaters on to keep warm. That was one of the little things that we asked DeKoning to do. And we asked for a dayroom, a place where the

men could at least come in and sit down. That was refused. We even asked for a toilet, the privilege of going to the toilet, and we couldn't go. So the men have to go around the barn, and down the end of the barn and out there. That is where you had to go. They wouldn't even grant us that request.

Senator CURTIS. All of this happened in the State of New York?

Mr. W. WILKENS. Yes, sir; believe it or not. It happened right on Long Island, N. Y.

I might point this out, that most of the delegates ran around in a Buick or Ford or Plymouth, but all of our delegates run around in Chrysler Imperials. We could save a lot of money if we could cut that down, too.

Mr. KENNEDY. Now, you have to go to the union to get your job; is that right?

Mr. W. WILKENS. Yes, sir.

Mr. KENNEDY. You can't just go to an employer and see if he wants help or assistance and go to work there, if he needs it; is that right?

Mr. W. WILKENS. You never have been allowed to go to an employer; you had to go to the union office.

Mr. KENNEDY. So it is a union hiring hall, and you have to go to the union and the union is the one who decides whether you are going to get a job or not?

Mr. W. WILKENS. That is true.

Mr. KENNEDY. And they are the ones, and therefore they can give their favorite jobs to those who go along with their policies.

Mr. W. WILKENS. That is true.

Mr. KENNEDY. Is that another matter that you have objected to?

Mr. W. WILKENS. Yes; he can tell you that you are going to eat oatmeal, or you are going to eat steak every day in the year, and some men make \$15,000 a year with DeKoning, and some men go home with \$4,000 or \$5,000 a year. It is all according to if you are in favor or disfavor.

Mr. KENNEDY. So for you people who are out of favor and have been fighting him, you can easily be deprived of jobs, or at least be deprived of good jobs, and often of any jobs at all.

Mr. W. WILKENS. Yes, and to point that out, there is a job going out there, a big Government job, and a good paying job, and 2 or 3 of the goons are out there working, and you don't see any of our fellows out there, or any of the old-time members. You take a fellow in our union and he could be a charter member, 20 years in the union, and he could go to that office and ask for a job and be kept sitting in that room for 2 or 3 weeks on end, and a fellow with a permit, maybe he is a bookie, or ex-bartender, or works at the racetrack, and he gets a job right away.

Very smoothly, Sofield never keeps a record of his work list, and he puts it on a piece of scrap paper and that is the end of it.

Mr. KENNEDY. I want to know, have you ever heard of Albert Ackalitis?

Mr. W. WILKENS. Yes, I have.

Mr. KENNEDY. Do you know anything about Albert Ackalitis?

Mr. W. WILKENS. As far as his record is concerned, I have read in the newspaper what it is, and I know he is not a nice fellow. I have never met him personally, but I do know he is a member of local 138 in the permit status.

Mr. KENNEDY. Do you know he has a criminal record dating back to 1933, including arrests for receiving stolen property, assault and robbery, attempted burglary, and unlawful possession of firearms.

Mr. W. WILKENS. I have heard of that; yes, sir.

Mr. KENNEDY. He was a member of the so-called Arsenal Mob, and was sentenced in 1936 to 7 to 14 years in the State prison, after being convicted for violation of possession of machine guns.

Mr. W. WILKENS. I have heard of that; yes.

Mr. KENNEDY. He was returned to Sing Sing, on November 10, 1950, and as a parole violator. Did you know he was kicked off the docks, and wasn't allowed to have any work on the docks in New York?

Mr. W. WILKENS. I have read of this.

Mr. KENNEDY. Because of his activities down there?

Mr. W. WILKENS. Yes.

Mr. KENNEDY. Did you say he is now in local 138, in a permit class?

Mr. W. WILKENS. He was given a permit by DeKoning, junior, and he worked on a Government job, the Nike site out in Lido Beach, and I believe he worked there under an assumed name. I believe at the present date he is working on a big bank job out there in Roosevelt Field.

Mr. KENNEDY. What kind of a job?

Mr. W. WILKENS. A big bank job, one of the biggest banks they are going to have on Long Island. I believe it is the biggest bank on Long Island, and he has a job there. This is the fellow that came on the job where Gary Nagle was working and he refused to work with Gary Nagle because he is a member of the reform group.

Mr. KENNEDY. Ackalitis refused to work with Nagle?

Mr. W. WILKENS. Yes, sir.

Mr. KENNEDY. And he walked off the job because Nagle was a member of the reform group?

Mr. W. WILKENS. Yes, sir.

Senator CURTIS. What do you mean by the fact he is a permit worker?

Mr. W. WILKENS. He has a permit, as was explained here. A permit is like a piece of paper, and you pay 50 cents a day for the privilege of working, and that is what a permit is.

Mr. BATALIAS. Can I explain that, Senator?

When Ackalitis appeared on the scene in Long Island, I believe he was a parole violator. There was a warrant out for his arrest. He was put on the payroll of the Government job in Lido Beach, under an assumed name. This was done through the union office. His pay was sent to the union office, under this assumed name, and later on he appeared on the job to work on the job steady, covering a push-button job. When he appeared on the job, he was picked up.

Later on, he was given a book in the local union, personally by William C. DeKoning, Jr.

The CHAIRMAN. Is that a voting status?

Mr. BATALIAS. No, he was brought in through the back door.

Mr. KENNEDY. What does that mean?

Mr. BATALIAS. He was given a B book, and if you go in for a regular book, like the A book, or the full parent-body book, you have to be brought before the membership.

The CHAIRMAN. He was given a B book and that took him off a permit status?

Mr. BATALIAS. Yes, sir.

The CHAIRMAN. That gave him a right to work, by paying his dues?

Mr. BATALIAS. That is correct.

The CHAIRMAN. Prior to that he had been on a permit status, where he had to pay \$1.50 a day, or \$2.50 a week?

Mr. BATALIAS. Let me remind you that Albert Ackalitis is not an engineer, or not an operating engineer, and he operates in other fields.

Senator CURTIS. Of course, it is my firm conviction that it is a violation of one of the most sacred rights an American can have, that anyone else should have power over his right to work. The right to work is a civil right, just as precious as any of the other civil rights. I am opposed to any union or any boss or anybody exercising that authority if they are good men and exercise it wisely. It is too much power for someone else to have over another human being.

The CHAIRMAN. We will proceed.

Mr. KENNEDY. Have you finished?

I would like to ask Mr. John DeKoning some questions.

The CHAIRMAN. Come around, Mr. DeKoning.

Mr. KENNEDY. Just for the record, that is spelled A-c-k-a-l-i-t-i-s. He is also known as Edward Johnson.

Mr. KENNEDY. Mr. DeKoning, you have been in the union for how long?

Mr. J. DEKONING. I have been a member of the International Union of Operating Engineers since 1936.

Mr. KENNEDY. And you are a relation of William DeKoning, Jr.?

Mr. J. DEKONING. I am his cousin.

Mr. KENNEDY. William DeKoning, Sr., was your uncle?

Mr. DEKONING. My uncle, yes.

Mr. KENNEDY. Now, you were a part of the DeKoning operation, I understand, up to about 1952 or 1953 or 1954?

Mr. J. DEKONING. That is right, and I am not too proud of it.

Mr. KENNEDY. Will you tell us what happened that you broke with them?

Mr. J. DEKONING. I was appointed business representative of local 138 in 1951. I was assigned to the Suffolk area.

At that time, a tremendous building boom was in Long Island, and in the Suffolk area particularly, and I was sent out there to organize.

Well, I worked in the trade all of my life, and I felt that I knew the problems of the workingman and I was told that I had done a good job.

There were lots of things in the union I did not like, but the union, the International Union of Operating Engineers, there are only two things you can do if you don't like it. Either you can quit or keep your mouth shut.

So I went along with the job and did my job and I tried not to make any enemies, and I tried to make friends. Possibly I was getting too popular. I made a good many good friends, and the excitement started with all of the indictments at the racetrack.

The biggest surprise to me in my life, up to that point, I was in Hays, Kans., on a first vacation I ever had, and I got a telephone call from my brother, informing me that I was indicted for five counts of grand larceny. So I said to my brother, "Well, if I had a piece of the pie, I wouldn't hold to this, but I don't even know what this is all about." "Well," he said "you had better get back here."

So I came back and there was quite a mess in Nassau at that time, and all of these indictments coming out, and the grand jury was in session. I tried in vain to speak to the union lawyer, and I tried to speak to the district attorney, and to find out the particulars of these counts of grand larceny that I was indicted for. So I gradually found out what it was, the situation that I was indicted on, and the indictment against myself and the other officers of the union were dropped when DeKoning, Sr., copped a plea and took the 18 months in jail.

I believe Mr. Batalias described the situation of the election of myself, as business representative.

Mr. KENNEDY. Why did you break then with William DeKoning, and William DeKoning, Jr.?

Mr. J. DEKONING. Well, I never did like the situation but I got the assurance of my wife, and I told her there were only two avenues facing me, and I said, "I am going to fight them. It is about time somebody did."

So when I saw that I was supposed to be a member of the family, and in fact I was a business representative, and I had been closely attached and associated with them in a business way, then I wanted to see if the men thought enough of me to elect me.

So the way the procedure of an election in 138 was, there was never any opposition. But I felt that with Senior DeKoning taking a little vacation, there was a possibility that things would change in the local, and many new reforms could be put into the union to make it a good union.

Mr. KENNEDY. Were you objecting at that time to the fact that the contractors did not have copies of the contracts themselves? Was that one of the objections?

Mr. J. DEKONING. Well, that always amazed me, that I was even a business representative and as far as the contracts were concerned the membership and the contractors were completely in the dark over the contract.

Mr. KENNEDY. The men did not see the contract, and the contractors themselves did not have a copy of the contract?

Mr. J. DEKONING. I would dare to say a majority of the contractors did not ever have a copy of the contract.

Mr. KENNEDY. And could there be favors given to certain contractors, and was that possible under the system that you operated under?

Mr. J. DEKONING. Absolutely.

Mr. KENNEDY. Would you just tell briefly how that could work out?

Mr. J. DEKONING. Well, the construction industry is a highly competitive field and naturally the cost of labor is the main item of figuring a job. In Long Island, there is one large contractor and several smaller contractors. The county and the State, and particularly the county, was doing an awful lot of work, and a lot of sewer work, and in the sewer work it involves the use of a lot of the smaller type equipment that does not require skill. It is commonly called cream jobs, or pushbutton jobs.

The union through its jurisdiction has the authority to adjudicate how many men should be on a job and the conditions of the job. The

union in collusion with the contractors of the Nassau-Suffolk area, the favorite ones, they would interpret the contract in a soft light.

In other words, the best way to describe it, is if there is a million-dollar job, and if a firm like Hendrickson was figuring the job, they could write their own ticket. They could do the job with no particular problem, with maybe 50 percent less required help than an outside contractor would.

(The following members of the committee were present: Senators McClellan and Curtis.)

Mr. KENNEDY. In summary, if an outside contractor came in and there were 10 machines, the union could say they needed 10 men, while with a favored contractor, they could say that 1 man could do the job for 10 machines, or 2 men, or 5?

Mr. J. DeKONING. That is correct.

Mr. KENNEDY. And they could cut down on the labor?

Mr. J. DeKONING. That is right.

Mr. KENNEDY. And that could be followed through on other jobs and activities taking place?

Mr. J. DeKONING. That is right.

Mr. KENNEDY. And in that manner, give favors to those contractors close to the leadership?

Mr. J. DeKONING. That is right.

Mr. KENNEDY. And also furnishing them men who were more competent in their jobs?

Mr. J. DeKONING. That is correct.

Mr. KENNEDY. The contractors took an active part in the operation of the union: is that right?

Mr. J. DeKONING. Definitely.

Mr. KENNEDY. For instance, the Hendrickson Bros., was that an active company?

Mr. J. DeKONING. Hendrickson, I would say, does 50 percent of the work in Nassau County.

Mr. KENNEDY. Were they active in the union also?

Mr. J. DeKONING. Milton Hendrickson, the president of the firm at that time, he was, at that time, though he took a withdrawal card, active in 138.

Mr. KENNEDY. He was active in the union as well as being the biggest contractor in the county?

Mr. J. DeKONING. Yes. He was the master mechanic for the Hendrickson firm for many years.

Mr. KENNEDY. Was there ever a time when representatives of the contractors who were in the union served on the negotiating committee with contractors?

Mr. J. DeKONING. Yes.

Mr. KENNEDY. Did that ever happen as far as the Hendricksons were concerned?

Mr. J. DeKONING. Well, I recall about 1952 there was an increase in all the building trades coming up in the summer months, in July, and I came into the union headquarters and I was instructed by William, Senior, to stick around; we were having a negotiating meeting with the contractors. We went into the Hawaiian Room, and there was 7 or 8 members of the Nassau Contractors Association there, and a few of the master mechanics—

Mr. KENNEDY. Just on this point. During those negotiations, were there representatives of Hendrickson on the negotiating committee for the union?

Mr. J. DEKONING. Yes.

Mr. KENNEDY. Hendrickson's son?

Mr. J. DEKONING. Arthur Hendrickson sat for the contractors; and, his son Milton sat at the same table.

Mr. KENNEDY. As a representative——

Mr. J. DEKONING. For the engineers.

Mr. KENNEDY. So you had the same family sitting on the same side of the table?

Mr. J. DEKONING. That is correct.

Mr. KENNEDY. One for the contractors and one for the union?

Mr. J. DEKONING. That is correct.

Senator CURTIS. How long has it been that contractors could get into the union?

Mr. J. DEKONING. When I became a member of the union, local 138, they were in the union.

Senator CURTIS. Have there been any new ones come in since that time?

Mr. J. DEKONING. Yes.

Senator CURTIS. Did they get in the same way as these men here that have testified today have tried to get in?

Mr. J. DEKONING. No; it is a little different situation there. It is a complex thing, with a lot of individuals who own 1 or 2 pieces of equipment. You classify them as owner-operators. If a fellow owns a bulldozer or a little truck, for him to work on these different jobs, he has to be a member of the union, so he goes down and joins the union. Myself, I feel that is a problem that could be worked out. He can be a union man, but at the same time he is still the boss. A good many unions have that provided for in their contract and in their bylaws. He don't interfere with the administration of the union.

Senator CURTIS. Do contractors other than these owners of small amounts of equipment, sort of owner-operators, have they joined the union in your time?

Mr. J. DEKONING. Yes.

Senator CURTIS. Large contractors?

Mr. J. DEKONING. Yes, certainly.

Senator CURTIS. They couldn't get in the union without the permission of the union bosses, could they?

Mr. J. DEKONING. Nobody got in that union without the right connection.

Senator CURTIS. I do not excuse them for the collusion. Certainly it is worked on both sides of the street.

Mr. J. DEKONING. There are quite a few big firms in Nassau and Suffolk where the president of the firm is also his own master mechanic and shop steward. We have several there. There is Charley Davis, from Davis Construction, Dick Murphy, from Murphy Construction, and there was Milton Hendrickson. There are three cases. They are their own master mechanic and shop steward, besides being the boss.

Mr. KENNEDY. Mr. DeKoning, I have one last matter. Did you try to bring this to Mr. William Maloney's attention also?

Mr. J. DEKONING. Yes. I believe it was in the winter of 1955 that myself and Garrett Nagle, and we met Mr. Lou Wilkens in Florida, we went down there with the attempt to try to speak to Mr. Maloney. Mr. Maloney was down in that fancy hotel in Miami Beach. I think it is the Hotel Martinique, where they were having a general executive board session.

We went down and tried to have an interview, a few minutes, with Mr. Maloney, and it was impossible. But we did catch up with the eastern district representative, Joe Delaney, and he said he would use his influence to try to arrange a meeting with Maloney. That didn't work out. There was always some excuse, Maloney was busy, or he has a committee here, or he is taking a sun bath. Lord knows what he was doing. We were walking down the street, the main street there in Miami Beach, and we seen Mr. Maloney walking down the street with Mr. Wharton. We walked up to him and we spoke to him. Gary Nagle spoke to him, and he said "Mr. Maloney, we are down here, and to us it is very important, it is our jobs and the fellows back home. We want to straighten out the situation in local 138. We want a meeting. We want to sit down with you and Delaney and see what can be done here."

So he promised us that the next morning he would have a meeting with us, at 9 o'clock. Mr. Kennedy, I got that a little wrong. Delaney did not come into the picture until after we did see Mr. Maloney. He said, "Joe Delaney is not in yet. He is out in Arizona. He will be in here tomorrow and we will have a meeting tomorrow morning."

The next day, Delaney did not come, and we had to stay there the next day until Delaney did come. We kept after Delaney to use his influence, and he told us pointblank that Maloney didn't want to see us.

I felt I didn't take a trip to Florida for nothing, where a lot of fellows had to chip in and go through hardship, to go down there and look at the sun. I insisted on seeing Maloney. He told me what suite he was in. I went up the elevator, found the suite, and knocked on the door. There was J. Turner, and a few more of the international people sitting in there, and Maloney was sitting there.

I said, "Mr. Maloney, I would like to have about 5 minutes of your time."

He said, "That is all I can give you."

So we walked into the bedroom. I said, "What are you going to do in local 138?"

He said, "I heard the other side of the story. I don't want to hear yours."

I was really hurt. I felt the best thing to do was to get out of here fast, before I lost my Irish temper. I went out the door, and I almost took the door off the hinges when I left, and that is the last time I seen Mr. Maloney.

Mr. KENNEDY. So he didn't do anything about it?

Mr. J. DEKONING. Nothing.

The CHAIRMAN. Is there anything further?

Mr. KENNEDY. Mr. Chairman, I would like to be able to recall these gentlemen. I have another witness I would like to call at this time. I would like to call Mr. Van Zanten.

The CHAIRMAN. Doctor, will you be sworn, please?

You do solemnly swear the evidence you shall give before this Senate select committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Reverend VAN ZANTEN. I do.

TESTIMONY OF REV. JOHN W. VAN ZANTEN

The CHAIRMAN. State your name, your place of residence, and your business or occupation or profession.

Reverend VAN ZANTEN. Rev. John W. Van Zanten, pastor of the Rosslyn Presbyterian Church, 159 Elm Street, Rosslyn Heights, N. Y.; clergyman.

The CHAIRMAN. Do you waive the right of counsel, do you?

Reverend VAN ZANTEN. Yes, indeed.

The CHAIRMAN. Thank you. Proceed, Mr. Kennedy.

Mr. KENNEDY. Dr. Van Zanten, you and other members of the clergy took an interest in this situation out in Long Island in connection with local 138?

Reverend VAN ZANTEN. Yes, indeed.

Mr. KENNEDY. Could you tell the committee how you first became interested in it, and then what events occurred after that?

Reverend VAN ZANTEN. Well, in September of 1955, members of the Operating Engineers, local union 138, came to the churches of the area in the county for some help. They wanted to tell a story about what was going on within their union. They came to us because they had tried to tell the story within the union through their international officers and had failed, and wanted someone to listen to them, to see what could be done within the community. They came to the Nassau County Council of Churches. I was at that time chairman of the industrial relations committee. Therefore, it was placed in my hands. We talked to the members of this group. We called them a minority group within this union. Then they went also to the other clergymen within our area, including Archdeacon Saunders, of the Episcopal diocese of Long Island, and, with him, we formed an interfaith committee. This committee was made up of representatives of the Jewish group, the Episcopal group, and our Nassau County Council of Churches.

Mr. KENNEDY. Would you tell us who they were?

Reverend VAN ZANTEN. The members of the group were Archdeacon Saunders, Kermit Nord, a Presbyterian minister in Mineola, Kenneth Grady, a Methodist minister, Rabbi Sandrow, and George Kuhlke who represented the Episcopal diocese as a layman.

We also invited the Catholic diocese to be represented on the committee. They accepted our invitation, but evidently thought later not to send a representative.

We went ahead with the Jewish and Protestant groups. We set up the hearings with a counsel and the court stenographer to take down whatever should be testified.

On January 18, 1956, we started our hearings. The union heard of the fact that this was going to take place, and they wrote us a letter, saying they would like very much to tell their side of the story and be a part of the hearing.

We were very glad to have this letter, and hoped that they would go ahead with us. However, when the actual hearings began, they

were represented by their attorney and his assistants who suggested various changes in our conditions and procedures which had been established. We felt this was not in line with what we wanted to do, and, therefore, on advice of our counsel, we continued to accept our conditions and procedures, and they then withdrew from the hearing and said they would not like to be a part of it.

Mr. KENNEDY. Who represented them at that time?

Reverend VAN ZANTEN. James Blake, I believe, was their attorney, and his assistants. I don't believe he himself appeared before us. His assistants came and gave the message for us.

Mr. KENNEDY. They would not accept the regulations and rules that you established among yourselves as to procedure?

Reverend VAN ZANTEN. It came down to one point, actually. We had our own court stenographer who was going to take the record, the hearing. They wanted to have their stenographer there also taking down the information as we gathered it.

Mr. KENNEDY. They didn't have confidence in this group's court stenographer?

Reverend VAN ZANTEN. I don't know. But they wanted their own, and the chairman of our committee, Archdeacon Saunders decided that we should have just 1 set of records, not 2, and they said they could see our records at the end of each day, if they so wished, but that it would be better if we had just 1 secretary taking down the form, and we wouldn't have 2 records, maybe not jibing finally.

So they withdrew from our hearing.

Mr. KENNEDY. They would not accept that?

Reverend VAN ZANTEN. They would not. The members of the minority group within the union then gave their testimony and we heard it over a period of 4 or 5 days. I would like to say at this point that later on in January we received an invitation from the union to talk with them also, with their board. So on March 8, much later, we were able to sit down with the union officials and talk to them.

As you have heard today, the testimony of the various men who have been here, we heard pretty much the same story. Would you like me to sort of summarize what we had heard?

Mr. KENNEDY. Yes.

Reverend VAN ZANTEN. These are some of the high points.

We have a full record which we have sent to your office, a report that we made at the time, which you have. The testifying that we heard was to the effect that supervisory personnel were members, actually, of the union, voting in the union meetings, master mechanics, supervisors, and contractors were part of the union.

There was discrimination in the hiring practices of the union in a political sense, that if you stayed in line and did what you were supposed to do, you got a good job, but otherwise you didn't.

In many cases, permit men were described rather than regular members of the union, some of them not getting jobs; that the rank and file members were never given copies of their working agreement.

In fact, it was suggested that perhaps even no such thing existed. As far as their welfare funds were concerned, the rank and file of the union did not know the amount of these funds or the method of administration. They did not receive regular reports; that the union's executive board was made up generally of master mechanics, super-

visors, and officers of the union, and contractors, and the rank and file members were not represented in their own leadership.

It was told to us that parliamentary procedure was not followed in the meetings, that the agenda was not followed in the particular state of the 13th, 16th, and 18th order of business, which were often not called for, and they were ignored in the meetings.

I think you know from your information what those orders of business are. That master mechanics were acting as shop stewards, and since they could hire and fire the men, we wondered whether they were representing the men or representing the employers. We discovered from what they told us that the international union had refused to hear them, to hear their complaints, or to interfere in these various difficulties they were having, particularly those things that ignored their own constitution.

We had our conference with the leaders of the union. They asked that we not be represented at that meeting with our counsel, so he was not present with us, nor was their lawyer present. It was an informal gathering in which we brought up these various items and asked for their opinion about it.

I would say that we came to the same answer over and over again which perhaps you have already run into, that it was represented to us that this was a fraternity, and, therefore, the members could run it the way they wished, that a man did not become part of the parent body because of his ability, but because he was acceptable, personally and otherwise, to the members. This seemed to be a very important point in the whole matter, the matter if it being a fraternity.

Mr. KENNEDY. Who was stressing that?

Reverend VAN ZANTEN. The officers of the union.

Mr. KENNEDY. They stressed the fact this was a fraternity, and they could keep out people whose personalities they did not like?

Reverend VAN ZANTEN. Yes, that it was that type of an organization, not a business type of organization, where, if a man had the proper background, knowledge, ability, that he would get a job.

We have other points which are in our report, but I will skip them. At the beginning of this matter, the whole business of the hearing, our counsel asked if the union would allow us to send in an accounting firm to look at their books, and they replied to us by letter that they had their own accounting firm which was a respectable firm, and that they did the accounting, and, therefore, that was impossible.

They offered, when we were with them, to let them look at anything we wanted to see, but, of course, we had no counsel and no accountant with us.

Therefore, we felt that our looking at the books would be ridiculous; a waste of time. So we spent our time talking with them. We came to some conclusions which are also in this report. To summarize a few of them:

It seemed to us in looking over this matter that there is obviously a struggle for power going on inside of this union. There is a feeling on the part of the leaders of the union, as they expressed it to us, was that this minority group saw that there was a vacuum for power.

Mr. DeKoning, senior, was out of the picture for a while; his son was not allowed to be in the union for a time, and it looked as if another group might take over, and this group had appeared at this

time. This may be true. We did not know, but we felt that we as a group of clergymen, representing the churches of the community, were concerned for the social, the economic and the moral aspects of the situation, regardless of the personal motives involved.

We have discovered in our community of Nassau County a great deal of fear in the working community. In talking to local men who are either small contractors or men who are part of the operating engineers, we discovered that they were afraid to speak out.

They were afraid that they would lose their jobs. As some of these men have said to us when we discussed it with them, "I have a wife and children. I can't stand up against this."

We therefore felt that this group, this small group of men, in the minority group within the union, are very brave men, and very strong men, and we felt that they ought to have a hearing on what they had to say.

So we made certain recommendations, which are in this report we have sent to you. Among them are these: That the supervisory personnel be separated from the rank and file in their meetings, so that you have a union meeting with the men speaking for themselves and not being afraid; that their nominations for office, their nominating committees, their actual elections be by secret ballot not by a shout or hand vote; that their hiring practices be reformed and brought in line with the regulation practices in the best unions in the country; that each member be given a copy of his working agreement; that the shop stewards on the various jobs be members of the rank and file and not members of the management side; that information on finances be given to all of the rank and file regularly throughout the year.

We heard, as you did, these men. We tried to talk to both sides. We feel that this is a situation in our community which must be straightened out, and we, therefore, appeal to this committee to do your best to help us.

The CHAIRMAN. Why do you feel the situation is so bad?

Reverend VAN ZANTEN. Because of this sense of fear that is in our community, first of all. We don't like the fact that men are afraid to speak their minds.

The CHAIRMAN. When you speak of a sense of fear, do you mean that it has been instilled into these working people, the rank-and-file people, and the small operator, that they either lose their job or lose their contract, or lose their right to work, unless they go along with the present leadership?

Reverend VAN ZANTEN. This is the impression that we received from the people in the community.

The CHAIRMAN. In other words, you feel that this union is run by a dictatorship, either one man or a small group of men?

Reverend VAN ZANTEN. We feel there is dictatorship involved.

The CHAIRMAN. Do you find in this fear you described the element of physical fear, of violence?

Reverend VAN ZANTEN. I think it is mainly a fear of losing their jobs.

Can I say something about the other side of the picture a little?

The CHAIRMAN. Yes. You feel it is an economic fear?

Reverend VAN ZANTEN. I think it is an economic fear. Personally, and this, of course, is my own feeling about the matter, I have

met young Bill DeKoning, and have talked with him, and I don't feel that he is a bad man. I think he is caught in the middle of this situation, and that there has been physical violence as you have heard from certain members, but this has been a long struggle in Nassau County. His father started at the beginning of the labor movement and fought his way through in times when you had to be rough and tough.

The time for that is over. Some of the men haven't found that out. They are still in the middle of it. There is a sense of roughness and toughness and, as we have said, a sense of dictatorship involved here. We feel that men are being manipulated. We look at this from a religious standpoint, and we say these men are created in the image of God, that they have to have the respect of their fellow men, particularly the men whom they depend upon for jobs, and it is important that this be set straight in our community, so that men do work, they are not afraid, they can speak their minds, they have the freedom that the other members of the community have.

That is why we as ministers, rabbis, are involved in this, because we feel human rights are being denied. We want it investigated, if we can.

The CHAIRMAN. That is being denied to the laboring man, the man who is the rank-and-file member, who is having to pay his dues in order to have a job?

Reverend VAN ZANTEN. That is what we feel.

The CHAIRMAN. Did you say you talked to the other side?

Reverend VAN ZANTEN. Yes. We had two conferences with the officers, the executive board.

The CHAIRMAN. Were they able, by their explanation, to remove any doubt from your mind that this was being run as a democratic institution, or did their answers and their conversations further convince you that it is a fraternity in the sense that only the favored get the advantages of the union?

Reverend VAN ZANTEN. It was definitely pointed out to us that this was a fraternity. This was the answer to many of our questions about why isn't so and so a member of your parent body, he has the qualifications, he can run the machinery, why isn't he there?

It was said "This is a fraternity. We elect to membership those we wish to have in the fraternity."

The CHAIRMAN. In other words, you have to get into the fraternity, as I understand the testimony we have heard, but you have voting rights.

Reverend VAN ZANTEN. Into the parent body.

The CHAIRMAN. That is what they speak of, I assume, and it is almost synonymous with fraternity.

Reverend VAN ZANTEN. Yes.

The CHAIRMAN. And the fraternity qualifications are fellowship, cooperation, and so forth, with the leaders. It does not relate at all to the man's skill, to the fact that he has been a devoted union member for 20 years, constantly a member, and paid his dues, and was able to work and willing to work.

Reverend VAN ZANTEN. Certainly he has to have some skill or he would never become a member of the union. Bill DeKoning would never send out a man to a crane job, for instance, who could not run

the job. He wouldn't have a union in 2 weeks if he did things like that.

The CHAIRMAN. I am not saying that, but I am talking about assuming they all have skills, in varying degrees, but sufficient, at least, to make them eligible for membership in the union.

Here is a man that has worked for 20 years, has been in the union for 20 years, has been paying his dues for 20 years, and he is an able laborer and servant, willing to work, who people want to work, yet they still take his dues and keep him in section A or B, where he cannot vote or have any voice in the management of the unions' affairs.

Reverend VAN ZANTEN. That is true.

The CHAIRMAN. You condemn that: do you not?

Reverend VAN ZANTEN. We do.

The CHAIRMAN. And you think we need legislation to correct that situation?

Reverend VAN ZANTEN. We feel very definitely that this should be done. We sent copies of our report to the ethical practices committee of the AFL-CIO, to your committee, and to the leaders of the union, to the minority group.

The CHAIRMAN. What is the date of your report, do you remember? Just approximately, how long ago was it?

Reverend VAN ZANTEN. It came out in about March or April of 1956.

The CHAIRMAN. March or April of 1956, nearly a year ago?

Reverend VAN ZANTEN. Yes, sir.

The CHAIRMAN. There has been no affirmative action? It is nearly 2 years ago.

Reverend VAN ZANTEN. Yes, sir.

The CHAIRMAN. There has been no affirmative action taken by the ethical practices committee so far as you know, to remedy this situation?

Reverend VAN ZANTEN. We have heard nothing from them.

The CHAIRMAN. You heard nothing from them after filing this report with them?

Reverend VAN ZANTEN. No.

The CHAIRMAN. Do you not agree with me, and I think with the committee, that it is time the ethical-practices committee took some affirmative, positive action in this matter?

Reverend VAN ZANTEN. We would be delighted if they would.

The CHAIRMAN. Do you think it would be a service to your community?

Reverend VAN ZANTEN. It would be a tremendous service if we could get labor itself to come in and clean its own house.

The CHAIRMAN. That is all you are asking, primarily, is, "Mr. Labor, and Mr. Management of Labor, come in here and clean this thing up so that our people here in this community won't live under this sense of fear, so they will have their rights as human beings to work without discrimination and without imposition."

Reverend VAN ZANTEN. You understand we are in favor of trade unionism, our group, and we are not attacking labor in any way.

The CHAIRMAN. Neither am I. I am only attacking those things that should not prevail in labor or any other organization. In the conditions that have been described here, the conditions that you found existed, your group or your committee, or whatever it is, are

conditions that should not prevail. Above all, they should not prevail in the ranks of organized labor where men are compelled to earn their living by the sweat of their brow.

Reverend VAN ZANTEN. We would welcome a thorough investigation of this.

The CHAIRMAN. We are trying to make the best we can here, but what I think is, it is time for labor itself to show some positive interest and take some definite action in this situation.

Reverend VAN ZANTEN. This would be the best answer.

The CHAIRMAN. What is that?

Reverend VAN ZANTEN. This is the best answer, for labor to do it itself.

The CHAIRMAN. That is the best answer, but even with labor doing it, if it will do it, that will clean up your community and maybe that will resolve the problem there locally, but we find these conditions prevailing in many other areas.

Of course, as I have said in public addresses, the more that labor can do itself to clean up these conditions that are unwholesome, and that prevail in some areas, the more it can do and will do and does to clean it up itself, the less problem the Congress will have in passing legislation.

In my judgment, when it is demonstrated they can and will clean it up and keep it cleaned up, there will be less justification for legislation. It is a problem that has to be dealt with. This cannot be permitted to continue in the United States without definite and irreparable harm to our economy, to our moral and social standards.

I think it has to be cleaned up. Any source of authority, legal or within the ranks of labor, or any power that can be used to clean up these conditions, should be put in motion.

Reverend VAN ZANTEN. Speaking for the churches and also the synagogues and temples of Nassau County, we welcome whatever you can do. That is fine.

The CHAIRMAN. I wish to commend you very highly for responding, let us say, to the appeal of those who felt aggrieved. I don't always think it is the business of the church to inject itself into every problem that may arise, but where you have a community problem that is affecting the moral and social atmosphere of the community and where people are obviously being mistreated and certainly, when they come to you, I think it is most commendable that you as an association of ministers or council of churches are responding.

I think, sir, that you evidently, if we have any success at all, you will have contributed to the success of the end results, whatever they may be, of improvement in the situation.

Reverend VAN ZANTEN. Thank you.

Senator CURTIS. Reverend, did you find any evidence of economic hardship to families by reason of men being denied the right to work?

Reverend VAN ZANTEN. There is no general answer of this sort. I think we would have to say in this particular period in Nassau County it has been one of tremendous expansion and there have been jobs galore, everywhere, and men have not been out of work.

Senator CURTIS. I am referring to these men who would appear in this chamber and they would not send them out to work.

Reverend VAN ZANTEN. Several of them have been in a bad way economically, and they have had to be carried by the others who have pooled their money to help one another. They have been out of work for a time.

Senator CURTIS. Now, the type of construction that has been going on there, has some of that been public construction for various units or levels of government?

Reverend VAN ZANTEN. I would not know.

Senator CURTIS. You do not know whether it involves streets and paving?

Reverend VAN ZANTEN. You will have to ask one of the men. I don't know exactly what they were doing.

Senator CURTIS. Did you find any evidence of collusion between officeholders and the element in the union that you are objecting to?

Reverend VAN ZANTEN. We did not have anything to do with that.

Senator CURTIS. You did not go into that phase of it?

Reverend VAN ZANTEN. Not in any way.

Senator CURTIS. That is all.

Mr. KENNEDY. I want to ask Mr. Louis Wilkens to come back.

TESTIMONY OF LOUIS WILKENS—Resumed

Mr. KENNEDY. Mr. Louis Wilkens, as I understand you, you are the leader behind this group that is in opposition to the present leadership?

Mr. L. WILKENS. Mr. Kennedy, let me announce now that we have no one leader. We are all in the one group.

Mr. KENNEDY. You are a master mechanic; is that right?

Mr. L. WILKENS. That is so.

Mr. KENNEDY. As the master mechanic, you have control over certain jobs. Would you explain the operation of a master mechanic?

Mr. L. WILKENS. Well, my job is to keep all of the equipment in condition, but my main job is to hire and control and order the engineers that work on these machines and designate the different jobs to them. I also hire and fire.

Mr. KENNEDY. You have the right to hire and fire?

Mr. L. WILKENS. That is right.

The CHAIRMAN. In that capacity, whom are you representing, management or labor?

Mr. L. WILKENS. I represent both sides.

The CHAIRMAN. Both sides?

Mr. L. WILKENS. Yes, sir.

The CHAIRMAN. All right, that is clear.

Mr. KENNEDY. Now, these other individuals are dependent upon you then for their jobs?

Mr. L. WILKENS. Quite a few of them, yes. Everyone in our group that is working for the company with the exception of John DeKoning. Everyone of the others have worked under me at different times and in fact, now I think that I have five of the group working for me.

Mr. KENNEDY. These conditions that have been described to the committee today, would you say that that is the condition of the union as it exists and has existed?

Mr. L. WILKENS. Oh, yes.

Mr. KENNEDY. You have been with the union since the beginning?

Mr. L. WILKENS. Yes, since the beginning.

Mr. KENNEDY. And you were the first president, isn't that right?

Mr. L. WILKENS. That is right.

Mr. KENNEDY. And you say these conditions that have been described are accurate?

Mr. L. WILKENS. That is right.

Mr. KENNEDY. Now, has there been any effort to bring any charges against you, Mr. Wilkens. I understand if you lost your job, then these other individuals would not have any jobs.

Mr. L. WILKENS. Yes, and I reported at the last time of the hearing we had, there were charges preferred against me, which was held up by an order of the Federal court.

Mr. KENNEDY. What do you mean, "held up"?

Mr. L. WILKENS. Well, there was an injunction put against them.

Mr. KENNEDY. What kind of charges did they bring?

Mr. L. WILKENS. Bringing the organization into disrepute.

Mr. KENNEDY. Did you show the welfare funds report or something like that?

Mr. L. WILKENS. Yes, for a long while I had been asking at every meeting about the welfare and the finances of the organization. I wanted to get some type of a report of the finances. I wanted to have them read off the executive board meetings and I wanted their report, what they were spending the money for, which we would never get.

Being that I kept at every meeting asking for the welfare reports on the welfare, or on the finances, I was appointed a committee of one to sit down with our welfare administrator and get a report from him.

When I went to see Mr. O'Rourke, who is our welfare administrator, I was advised that there was going to be a meeting in a few days of the welfare committee, that is 3 from the bosses and 3 from the union sitting on this welfare committee and they were having a meeting and if I would come to that meeting, they would give me a report.

I went to the meeting, and I sat outside until they had their meeting and then I was asked in and they wanted to know what I wanted to know, and I asked a few pertinent questions. They said, "Well, that is all in the report."

One of the members of the contractors' association, Mr. John Buchanan, was kind enough to give me his full report and the chairman said that he would have another report made up for Mr. Buchanan. I took the report with me.

The following morning the National Labor Relations Board case was going on over in Mineola and one of our attorneys, Mr. Keating was there.

Mr. KENNEDY. What was Mr. Keating's position before that?

Mr. L. WILKENS. He was the crime commissioner and he was assistant district attorney before that in New York City.

Mr. KENNEDY. He was representing you in this matter?

Mr. L. WILKENS. That is right.

Mr. KENNEDY. And you showed him the copy of the report?

Mr. L. WILKENS. I showed him a copy of the report.

Mr. KENNEDY. And you were brought up on charges for showing him a copy of the report?

Mr. L. WILKENS. That is right.

Mr. KENNEDY. Now, you got an injunction in the court regarding those charges, and have you been brought up on any other charges recently?

Mr. L. WILKENS. Yes; I have.

Mr. KENNEDY. As a matter of fact, are you scheduled to be tried tonight?

Mr. L. WILKENS. I am scheduled to go on trial tonight. I was presented with charges on December 27. I am supposed to go on trial tonight.

Mr. KENNEDY. What are those charges against you?

Mr. L. WILKENS. For crossing the picket line.

Mr. KENNEDY. Did you, in fact, cross a picket line?

Mr. L. WILKENS. I did not.

Mr. KENNEDY. Where were you at the time the picket line was placed?

Mr. L. WILKENS. I was in my office.

Mr. KENNEDY. Which was inside the building?

Mr. L. WILKENS. Inside the building and the picket line was put up outside, and I stayed there until the pickets left.

Mr. KENNEDY. Was there ever a vote taken among the employees at this place of business, or this work that they would go on strike?

Mr. L. WILKENS. No; there was not and there was a regular procedure which would have been for the union to notify me as to what their grievance was and then I should try to negotiate with the boss to straighten it out, which I never was notified about other than I received a telegram the night before at 8:15 that the employer was in violation of the contract and that the union and members would take such action as they deemed necessary.

Mr. KENNEDY. Did the employees go on strike? Was the picket line that was established made up of the employees that were working in the shop?

Mr. L. WILKENS. Not at first, but I tried to contact all of the jobs, and the different men from different jobs called me and asked me what the picket line was about and I told them it was due to our welfare and for them to join the picket line.

I did not want my men to be caught running machines or getting into trouble, because that, I think, is what was the motive behind this. The men are on a big field, and in fact they can be 4 or 5 or 6 blocks away. They put a picket line up here and they could accuse these men of crossing the picket line, and so I tried everything I could to get the notification out to the men so they would get on the picket line and not be accused of crossing the picket line.

Mr. KENNEDY. But none of these men were on the picket line initially? They were not the ones that voted to go on the picket line or vote to strike?

Mr. L. WILKEN. Among my men working for me, there was no vote to go on strike.

Mr. KENNEDY. And you did not discuss this grievance with the contractor as of that time?

Mr. L. WILKEN. No; not as of that time.

Mr. KENNEDY. Have charges been made also against one of your other men?

Mr. L. WILKEN. One of the men that was working for me, there was Charles Skura.

Mr. KENNEDY. What was his name?

Mr. L. WILKEN. Charles Skura.

Mr. KENNEDY. Charges made by Denis Doyle and Edward Cominsky?

Mr. L. WILKEN. That is right.

Mr. KENNEDY. I believe Mr. Cominsky is here. I would like to have you step aside.

Could we call Mr. Cominsky, Mr. Chairman.

The CHAIRMAN. Come forward, please.

You will be sworn, please. You do solemnly swear the evidence you shall give before this Senate select committee will be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. COMINSKY. I do.

TESTIMONY OF EDWARD J. COMINSKY, ACCOMPANIED BY HIS COUNSEL, JAMES G. BLAKE

The CHAIRMAN. State your name, your place of residence, and business or occupation.

Mr. COMINSKY. Edward J. Cominsky, 187 Denton Place, Roosevelt, L. I., operating engineer.

Mr. BLAKE. May I say a word, sir?

The CHAIRMAN. Do you have counsel present to represent you?

Mr. BLAKE. Yes; I do.

The CHAIRMAN. Counsel, identify yourself for the record.

Mr. BLAKE. James G. Blake, 230 Old Country Road, Mineola, N. Y.

In order to save a grave injustice, may I say something at this point, because there are newspapermen here, and something is being said here which is totally false, and which is being given to the newspapers.

The CHAIRMAN. Just a moment.

Mr. BLAKE. One thing, sir.

The CHAIRMAN. Just a moment. If you want to give a statement to the press, you have that privilege, and you have that right, and no one will object to that. But that is not the purpose of this inquiry. You are here to represent the witness, and the witness is under oath to testify.

Mr. BLAKE. I am trying to save this board from some embarrassment, sir. That is all I wanted to do. If you will not permit me, then I will not do it.

The CHAIRMAN. You wanted to make a statement, apparently, for the press.

Mr. BLAKE. No, sir; for you, sir.

The CHAIRMAN. What is your statement.

Mr. BLAKE. There have been statements here, sir, about the AFL-CIO Ethical Practices Committee, that they have taken affirmative action. We had a hearing that lasted for 5 days, sir.

The CHAIRMAN. Wait a moment. Wait a moment, now. You are not here as a witness. There has been testimony here that you do not agree to. All right, I am not going to permit you to come up here and make statements to contradict a witness, just as a lawyer here representing a witness.

You being an attorney, you know as well as I do what is proper. All right. Proceed with the witness.

Mr. KENNEDY. Mr. Cominsky, you are a member of the Operating Engineers?

Mr. COMINSKY. I am.

Mr. KENNEDY. You have been a member for how long?

Mr. COMINSKY. Five years.

Mr. KENNEDY. You are from what section of the Operating Engineers?

Mr. COMINSKY. 18.

Mr. KENNEDY. 138?

Mr. COMINSKY. Yes.

Mr. KENNEDY. How long have you been in 138?

Mr. COMINSKY. Five years.

Mr. KENNEDY. You came right into 138?

Mr. COMINSKY. Yes. I came in as a full engineer.

Mr. KENNEDY. Didn't you go through 138-A?

Mr. COMINSKY. I did not.

Mr. KENNEDY. Who did you talk to before you came into local 138?

Mr. COMINSKY. I talked to William K. DeKoning.

Mr. KENNEDY. And he brought you right into local 138?

Mr. COMINSKY. Yes, sir.

Mr. KENNEDY. You didn't have to go through 138-A or 138-B?

Mr. COMINSKY. I didn't.

Mr. KENNEDY. And you were not on a permit status before that?

Mr. COMINSKY. I was.

Mr. KENNEDY. For how long?

Mr. COMINSKY. Two years.

Mr. KENNEDY. You were on a permit status and then you went right into 138?

Mr. COMINSKY. Yes, sir.

Mr. KENNEDY. Have you brought certain charges against various members of your local?

Mr. COMINSKY. I have.

Mr. KENNEDY. Who have those charges been brought against?

Mr. COMINSKY. Lou Wilkens and Charles Skura.

Mr. KENNEDY. Who requested that you bring those charges?

Mr. BLAKE. May I ask at this point, Senator, what is the legislative purpose of this question?

Mr. KENNEDY. Who requested that you bring the charges?

Mr. BLAKE. I was——

The CHAIRMAN. I can tell you one of the legislative purposes is that we are trying to get at these dictatorially controlled unions. If this witness is just a laborer, and he has been inspired to bring charges by somebody else, the committee has a right to know it. We might want to legislate against some of these dictatorial tactics that we hear of today.

Proceed.

Mr. KENNEDY. Who requested that you bring the charges?

Mr. COMINSKY. It was my prerogative. I could bring the charges or not bring the charges.

Mr. KENNEDY. With whom did you discuss the charges?

Mr. COMINSKY. I first discussed the charges with Sofield.

Mr. KENNEDY. What position does he have?

Mr. COMINSKY. He is recording secretary.

Mr. KENNEDY. Who did you discuss the charges with after that?

Mr. COMINSKY. William C. DeKoning.

Mr. KENNEDY. Mr. Blake, you also represent Mr. William C. DeKoning, is that right?

Mr. BLAKE. That is right. I represent Local 138 of the Operating Engineers, and any of its members who are here.

The CHAIRMAN. Let me ask you a question, Mr. Witness. Is Mr. Blake here representing you at your request, and are you under obligation to pay him for his services?

Mr. COMINSKY. I asked Mr. Blake to represent me; yes, sir.

The CHAIRMAN. You asked him to represent you. Is the union paying his fee, or are you paying it?

Mr. COMINSKY. I haven't discussed a fee with Mr. Blake.

The CHAIRMAN. I assume, then, that the union is to pay it. Is that right? Is that your assumption, too?

Mr. COMINSKY. That is something. I don't know whether I will get a bill or not.

The CHAIRMAN. You hardly are expecting one, are you?

Mr. COMINSKY. Well, I don't know.

The CHAIRMAN. I think we can tell. Go ahead.

Mr. KENNEDY. What conversation did you have with Mr. Sofield?

Mr. COMINSKY. I made out a report, and Mr. Sofield read it. He asked me would I like to prefer charges against the men, and I said "Yes."

Mr. KENNEDY. What conversations did you have then with Mr. DeKoning?

Mr. COMINSKY. There was no conversation actually with Mr. DeKoning. He just read an article out of the constitution which, after I heard it, showed Mr. Wilkens and Mr. Skura both were wrong.

Mr. KENNEDY. He is the one that pointed the article out to you?

Mr. COMINSKY. I knew about it.

Mr. KENNEDY. Why did you have to go and talk it over with him, then?

Mr. COMINSKY. He is the president of our local.

Mr. KENNEDY. Why did you have to go discuss it with him?

Mr. COMINSKY. I am preferring charges against them. I guess I have to go to the president.

Mr. KENNEDY. You have to go to the president and prefer the charges to him; show him the charges?

Mr. COMINSKY. I did.

Mr. KENNEDY. Did you write the charges out?

Mr. COMINSKY. Yes; I did.

Mr. KENNEDY. Where did you write them out?

Mr. COMINSKY. I wrote them out after I reported back.

Mr. KENNEDY. Who was with you when you wrote them out?

Mr. COMINSKY. By myself.

Mr. KENNEDY. You were by yourself?

Mr. COMINSKY. Yes.

Mr. KENNEDY. In your own handwriting?

Mr. COMINSKY. Yes.

Mr. KENNEDY. Then what did you do with them?

Mr. COMINSKY. I turned them over to Mr. Sofield.

Mr. KENNEDY. Had you written them out before you turned them over to Mr. Sofield?

Mr. COMINSKY. They were written out before I did.

Mr. KENNEDY. Had you had discussions with Mr. Sofield first?

Mr. COMINSKY. None whatsoever.

Mr. KENNEDY. You wrote them out before you presented them to Mr. Sofield?

Mr. COMINSKY. That is right.

Mr. KENNEDY. I thought you said Mr. Sofield wanted to find out if you wanted to present charges.

Mr. COMINSKY. After I read the report I made.

Mr. KENNEDY. I thought you said you wrote the charges out yourself.

Mr. COMINSKY. I made no charges then. I wrote out the report on the strike.

Mr. KENNEDY. The report?

Mr. COMINSKY. Yes.

Mr. KENNEDY. When did you decide to make the charges?

Mr. COMINSKY. I decided to make the charges the same day.

Mr. KENNEDY. You mean after you talked to Mr. Sofield?

Mr. COMINSKY. Yes. After I talked to Mr. Sofield; yes.

Mr. KENNEDY. Then you went and talked to Mr. DeKoning?

Mr. COMINSKY. Yes.

Mr. KENNEDY. And he showed you the section of the constitution where you could make these charges?

Mr. COMINSKY. Yes.

Mr. KENNEDY. So then you went back. Who wrote the charges up?

Mr. COMINSKY. I wrote the charges up.

Mr. KENNEDY. You went back——

Mr. COMINSKY. No; I did not write the charges.

Mr. KENNEDY. Who wrote the charges?

Mr. COMINSKY. The charges were wrote out—I don't know who wrote them out, either. I read the charges and I signed them.

Mr. KENNEDY. Who handed the charges to you?

Mr. COMINSKY. Mr. Sofield.

Mr. KENNEDY. Mr. Sofield handed the charges to you. Were you present when he was writing them out?

Mr. COMINSKY. No, I wasn't.

Mr. KENNEDY. Who was present? When did he give them to you? Did he tell you to come back, or what?

Mr. COMINSKY. This was a few days later.

Mr. KENNEDY. A few days later. He had written them out and then he handed them to you?

Mr. COMINSKY. Yes. I asked him to write them out.

Mr. KENNEDY. And then you signed them?

Mr. COMINSKY. Yes.

Mr. KENNEDY. Was Mr. DeKoning there when you came back?

Mr. COMINSKY. Mr. DeKoning I didn't see when I signed my name to the charges.

Mr. KENNEDY. Then when you saw Mr. Sofield, you and Mr. Sofield, did you go in to see Mr. DeKoning?

Mr. COMINSKY. No.

Mr. KENNEDY. You went to Mr. DeKoning by yourself? He had the constitution?

Mr. COMINSKY. Well, he told me that we were right in preferring the charges.

Mr. KENNEDY. And told you what section?

Mr. COMINSKY. That is right.

Mr. KENNEDY. And then they wrote it out and you came back in a couple of days and picked it up?

Mr. COMINSKY. That is right.

Mr. KENNEDY. Now tell me: You made charges against whom?

Mr. COMINSKY. Mr. Wilken and Mr. Skura.

Mr. KENNEDY. You saw Mr. Wilken go through the picket line?

Mr. COMINSKY. Mr. Wilken had a conversation with me.

Mr. KENNEDY. What did he say in the conversation?

Mr. COMINSKY. He approached me and he said, "Now, look, this is no surprise to me. One of your fellows called me up last night and told me you were going to do this."

Well, if he knew that, I felt that he should have walked the line the same as us. But then he went into the office.

Mr. KENNEDY. He went into the office?

Mr. COMINSKY. He went into the building.

Mr. KENNEDY. What time was this?

Mr. COMINSKY. Well, he came up to me about 7:30 in the morning, or a little after 7.

Mr. KENNEDY. A little after 7 in the morning. Who was with him at the time?

Mr. COMINSKY. Nobody was with him.

Mr. KENNEDY. He was all by himself?

Mr. COMINSKY. With me, yes.

Mr. KENNEDY. Who else saw you talking?

Mr. COMINSKY. A few of the other boys.

Mr. KENNEDY. Like who?

Mr. COMINSKY. Well, William Cruise?

Mr. KENNEDY. William Cruise?

Mr. COMINSKY. Yes.

Mr. KENNEDY. He was there, too?

Mr. COMINSKY. Yes.

Mr. KENNEDY. Did he hear the conversation?

Mr. COMINSKY. He did not hear the conversation. Mr. Wilkens then left me and went over to talk to Mr. Cruise.

Mr. KENNEDY. He went over to talk to him then, and went into the building?

Mr. COMINSKY. Then he went into the building.

Mr. KENNEDY. And you were walking with picket signs at that time?

Mr. COMINSKY. Yes, I was.

Mr. KENNEDY. What time did you get on the picket line?

Mr. COMINSKY. 7:30.

Mr. KENNEDY. You got on the picket line at 7:30?

Mr. COMINSKY. Yes.

Mr. KENNEDY. I thought you said you talked to him a little after 9:30.

Mr. COMINSKY. A little after 7:30.

Mr. KENNEDY. A little after 7:30?

Mr. COMINSKY. Yes.

Mr. KENNEDY. He did not get to the office until a little after 7:30?

Mr. COMINSKY. Well, I don't know.

Mr. KENNEDY. He must have been. He was coming to work at 7:30?

Mr. COMINSKY. That is when I first saw him.

Mr. KENNEDY. Who else did you make the charges against?

Mr. COMINSKY. Charles Skura.

Mr. KENNEDY. Did you see Charles Skura there?

Mr. COMINSKY. I saw him, yes.

Mr. KENNEDY. When did you see him?

Mr. COMINSKY. This is around noon.

Mr. KENNEDY. Around noontime?

Mr. COMINSKY. Yes.

Mr. KENNEDY. What was he doing?

Mr. COMINSKY. I just got a glance is all.

Mr. KENNEDY. What was he doing?

Mr. COMINSKY. Nothing.

Mr. KENNEDY. You made charges against him, so what——

Mr. COMINSKY. He was inside the property line.

Mr. KENNEDY. Inside the property line?

Mr. COMINSKY. Yes.

Mr. KENNEDY. And he was working there, was he?

Mr. COMINSKY. I wouldn't say he was working there, no.

Mr. KENNEDY. What was he doing inside the property?

Mr. COMINSKY. He just looked out and I got a glimpse of him.

Mr. KENNEDY. From a window?

Mr. COMINSKY. No. He come on the outside.

Mr. KENNEDY. What time was that?

Mr. COMINSKY. That was around noontime.

Mr. KENNEDY. Did anybody else see him?

Mr. COMINSKY. Mr. Doyle, Benny Doyle.

Mr. KENNEDY. Both of you saw him?

Mr. COMINSKY. Yes.

Mr. KENNEDY. He just looked out and you saw him, and that is all?

Mr. COMINSKY. Yes.

Mr. KENNEDY. And you preferred charges against him, too?

Mr. COMINSKY. Yes.

Mr. KENNEDY. Did you discuss these charges with Mr. Sofield?
Did you discuss this and the ones against Mr. Wilkens.

Mr. COMINSKY. There was no discussion.

Mr. KENNEDY. Well, what you related.

Mr. COMINSKY. Yes.

Mr. KENNEDY. I see.

Senator CURTIS. Specifically, what is Mr. Wilkens charged with?

Mr. COMINSKY. Crossing the picket line.

Senator CURTIS. Where was the picket line?

Mr. COMINSKY. Outside the building.

Senator CURTIS. What building?

Mr. COMINSKY. J. C. Peterson.

Senator CURTIS. That building was under construction?

Mr. COMINSKY. No; it wasn't. It was the office of J. C. Peterson. Senator CURTIS. And were there labor difficulties going on in the building?

Mr. COMINSKY. Yes. We had labor difficulties; yes.

Senator CURTIS. Was there a strike going on?

Mr. COMINSKY. Yes; there was.

Senator CURTIS. Against whom?

Mr. COMINSKY. Against J. C. Peterson.

Senator CURTIS. What union was involved?

Mr. COMINSKY. The Operating Engineers.

Senator CURTIS. The building was not under construction?

Mr. COMINSKY. No, sir. It was his office.

Senator CURTIS. His office?

Mr. COMINSKY. Yes.

Senator CURTIS. How long had the strike been going on?

Mr. COMINSKY. We started at 7:30 in the morning.

Senator CURTIS. And when had the strike been voted?

Mr. COMINSKY. Pardon?

Senator CURTIS. When had the strike been voted?

Mr. COMINSKY. The strike was voted the day before.

Senator CURTIS. Where?

Mr. COMINSKY. At the labor building.

Senator CURTIS. Was there a meeting there the day before?

Mr. COMINSKY. Yes, sir.

Senator CURTIS. A union meeting?

Mr. COMINSKY. Not a union meeting; no.

Senator CURTIS. How many members of the union were present when this vote was taken to strike the day before?

Mr. COMINSKY. Well, about 30.

Senator CURTIS. About 30. Who called it?

Mr. COMINSKY. Pardon?

Senator CURTIS. Who called the meeting?

Mr. COMINSKY. I was told to come down. I called up. I was out of work.

Senator CURTIS. What time was the meeting called for?

Mr. COMINSKY. I believe it was 8 o'clock.

Senator CURTIS. Eight o'clock in the morning?

Mr. COMINSKY. Eight o'clock in the evening.

Senator CURTIS. Eight o'clock in the evening?

Mr. COMINSKY. Yes.

Senator CURTIS. Were all the members notified of this meeting?

Mr. COMINSKY. That I don't know.

Senator CURTIS. Who presided over the meeting?

Mr. COMINSKY. Mr. DeKoning.

Senator CURTIS. And a vote was taken to strike?

Mr. COMINSKY. That I don't know. We were asked to volunteer, if we would volunteer, to form a picket line.

Senator CURTIS. A while ago I ask you if the strike was ever voted, and you said it was, the day before.

Now, was there a vote to strike?

Mr. COMINSKY. Well, I wouldn't say by a vote; I don't know. We were asked to form a picket line, if we would volunteer.

Senator CURTIS. Well, I am not talking about the formation of a picket line. I am asking you, Was there a vote taken to strike?

Mr. COMINSKY. That I don't know.

Senator CURTIS. Well, as a matter of fact, you know there wasn't; do you not?

Mr. COMINSKY. Well, all I know is I was asked to report down there at 8 o'clock. I didn't even know what it was for.

Senator CURTIS. What time did you get there?

Mr. COMINSKY. Around 8 o'clock.

Senator CURTIS. How long did the meeting last?

Mr. COMINSKY. I would say about an hour.

Senator CURTIS. About an hour?

Mr. COMINSKY. Maybe a little longer.

Senator CURTIS. Were you there all the time?

Mr. COMINSKY. Yes; I was.

Senator CURTIS. Did you leave the room at any time?

Mr. COMINSKY. No; I didn't.

Senator CURTIS. Was there any time while you were there that a motion was made to strike and a vote taken on it?

Mr. COMINSKY. No.

Senator CURTIS. None at all?

Mr. COMINSKY. No.

Senator CURTIS. So there was not a vote to strike taken the day before?

Mr. COMINSKY. Well, no; I guess there wasn't.

Senator CURTIS. And Mr. Wilkens is charged with crossing the picket line?

Mr. COMINSKY. Yes.

Senator CURTIS. And who are the witnesses against him on that charge?

Mr. COMINSKY. There are two of us.

Senator CURTIS. Two of you. Who was the other one?

Mr. COMINSKY. Dennis Doyle.

Senator CURTIS. What is his address?

Mr. COMINSKY. That I don't know.

Senator CURTIS. You saw him cross the picket line?

Mr. COMINSKY. Yes; I did.

Senator CURTIS. From where to where did he go?

Mr. COMINSKY. He left me and went to the other side of the building.

Senator CURTIS. He left you?

Mr. COMINSKY. Yes, and talked to another fellow.

Senator CURTIS. Is that a violation of law to talk to you and then go talk to another fellow?

Mr. COMINSKY. No; it is not a violation. Then he left the other fellow and went in the building.

Senator CURTIS. What time do you say this was?

Mr. COMINSKY. He talked to me a little after 7:30.

Senator CURTIS. How do you know it was 7:30?

Mr. COMINSKY. I was told to form a picket line at 7:30, and I got there exactly at 7:30.

Senator CURTIS. What was the purpose of this picket line?

Mr. COMINSKY. J. C. Peterson was back on his welfare fund, since April, I believe it was, which is against our contract. We were asked if we would volunteer to form a picket line.

Senator CURTIS. You were volunteers to form a picket line?

Mr. COMINSKY. We volunteered for that; yes.

Senator CURTIS. But you stand on your own statement that all the time in this meeting there was no vote passed to strike?

Mr. COMINSKY. There was no vote; no.

Senator CURTIS. But some of you volunteered down there?

Mr. COMINSKY. Yes.

Senator CURTIS. You were appearing as volunteers?

Mr. COMINSKY. Yes. We didn't know what the meeting was about. I didn't even know what it was about.

Senator CURTIS. Who is this other witness against Mr. Wilkens?

Mr. COMINSKY. Dennis Doyle.

Senator CURTIS. It is not this Cruise that you mentioned a while ago?

Mr. COMINSKY. No.

Senator CURTIS. Who are the witnesses against Mr. Skura?

Mr. COMINSKY. Dennis Doyle and myself.

Senator CURTIS. Mr. Doyle?

Mr. COMINSKY. Yes. The reason for that is because——

Senator CURTIS. Mr. Cruise is not going to be a witness, then?

Mr. COMINSKY. Against Mr. Wilkens and Mr. Skura?

Senator CURTIS. Either one of them.

Mr. COMINSKY. No. The reason for that is, I was appointed captain of the picket line, and it was up to me to prefer charges, if I wished to.

Senator CURTIS. What is your definition of crossing the picket line?

Mr. COMINSKY. My definition of crossing the picket line is when a picket line is formed, and a man goes through it intentionally.

Senator CURTIS. Go through it for what purpose?

Mr. COMINSKY. To work.

Senator CURTIS. For whom does Mr. Wilkens work?

Mr. COMINSKY. J. C. Peterson.

Senator CURTIS. That is all for the moment.

The CHAIRMAN. Let me ask this witness a question or two.

Where was the job that is under construction?

Mr. COMINSKY. The job that is under construction?

The CHAIRMAN. Yes.

Mr. COMINSKY. This is no job under construction. This is Mr. Peterson's, J. C. Peterson's home office.

The CHAIRMAN. In what town?

Mr. COMINSKY. In Baldwin.

The CHAIRMAN. Where?

Mr. COMINSKY. In Baldwin.

The CHAIRMAN. What is Mr. Wilkens' position there?

Mr. COMINSKY. Master mechanic.

The CHAIRMAN. He is a member of the union?

Mr. COMINSKY. Yes; he is.

The CHAIRMAN. He has offices in that building?

Mr. COMINSKY. Yes; he has.

The CHAIRMAN. And so does the J. C. Peterson Co?

Mr. COMINSKY. Yes.

The CHAIRMAN. Who is the other man that Mr. Wilkens talked to just before he crossed the picket line?

Mr. COMINSKY. William Cruise.

The CHAIRMAN. William Cruise?

Mr. COMINSKY. Yes.

The CHAIRMAN. Does he substantiate your statement?

Mr. COMINSKY. Yes; he does.

The CHAIRMAN. Did he see him go across the picket line?

Mr. COMINSKY. Yes; he did.

The CHAIRMAN. Who else was it you said you preferred charges against?

Mr. COMINSKY. Charles Skura.

The CHAIRMAN. S-k-u-r-a?

Mr. COMINSKY. Yes.

The CHAIRMAN. Where does he work?

Mr. COMINSKY. He works for J. C. Peterson.

The CHAIRMAN. How long have you known him?

Mr. COMINSKY. I met him, I guess, around twice.

The CHAIRMAN. About twice?

Mr. COMINSKY. Yes, sir.

The CHAIRMAN. So you are pretty positive you know him?

Mr. COMINSKY. Well, I know Charles Skura; yes.

The CHAIRMAN. What?

Mr. COMINSKY. I know him, yes.

The CHAIRMAN. You know him?

Mr. COMINSKY. By sight, yes.

The CHAIRMAN. I didn't quite understand whether he peeped out of a window or what. You did not see him cross a picket line, but you just saw him on the other side?

Mr. COMINSKY. Yes; that is right.

The CHAIRMAN. About noon that day?

Mr. COMINSKY. Yes.

The CHAIRMAN. You did not see him cross the picket line?

Mr. COMINSKY. No, sir.

The CHAIRMAN. If he was in that building at all, you do not know whether he went in there before daylight or not; do you?

Mr. COMINSKY. That is right.

The CHAIRMAN. You do not know whether he ever crossed the picket line; do you?

Mr. COMINSKY. That is right.

The CHAIRMAN. You do not know that he ever crossed a picket line, do you?

Mr. COMINSKY. But——

The CHAIRMAN. But, nothing. You do not know that he ever crossed the picket line, do you?

Mr. COMINSKY. He was in the building.

The CHAIRMAN. He could have been in the building for hours before.

Mr. COMINSKY. They do maintenance work——

The CHAIRMAN. I understand. But you never saw him cross a picket line, did you?

Mr. COMINSKY. He was in the building.

No, I didn't see him.

The CHAIRMAN. I didn't ask you that.

Mr. COMINSKY. He didn't go past me.

The CHAIRMAN. You didn't see him cross that picket line, did you?

Mr. COMINSKY. No, I didn't.

The CHAIRMAN. Now you say you saw him in the building?

Mr. COMINSKY. Yes, I did.

The CHAIRMAN. Where in the building?

Mr. COMINSKY. Outside the building as he looked out.

The CHAIRMAN. Was he in the building or outside?

Mr. COMINSKY. He looked out of the building and back in again.

The CHAIRMAN. If he looked out, he had to be on the inside, didn't he, to look out?

Mr. COMINSKY. That is right.

The CHAIRMAN. Was he on the outside?

Mr. COMINSKY. He was on the outside.

The CHAIRMAN. On the outside looking out?

Mr. COMINSKY. Just a minute.

He looked around the corner of the building.

The CHAIRMAN. Wait a minute.

We got into a corner now. Which corner?

Mr. COMINSKY. He looked on the east side of the building.

The CHAIRMAN. Was he in the building or out of the building when he looked east or west?

Mr. COMINSKY. He was out of the building.

The CHAIRMAN. At the corner of the building?

Mr. COMINSKY. Yes.

The CHAIRMAN. The east corner of the building?

Mr. COMINSKY. Yes, sir.

The CHAIRMAN. And he peeped around?

Mr. COMINSKY. Yes, sir.

The CHAIRMAN. And you saw him?

Mr. COMINSKY. Yes.

The CHAIRMAN. How much of him did you see?

Mr. COMINSKY. I saw his head.

The CHAIRMAN. Just his head. You are sure that that was Mr. Charles Skura?

Mr. COMINSKY. I am all—positive.

The CHAIRMAN. Absolutely positive?

Mr. COMINSKY. I am sure.

The CHAIRMAN. You are swearing to that under oath?

Mr. COMINSKY. I am.

The CHAIRMAN. If you are not telling the truth, then you know you are subject to a penalty?

Mr. COMINSKY. Yes, sir.

The CHAIRMAN. All right.

Now, if the truth is he is 12 miles away from that spot at that hour, and that can be established, what are you going to say about it?

Mr. COMINSKY. I would say he would have to prove it to me.

The CHAIRMAN. You would say what?

Mr. COMINSKY. He would have to prove it.

The CHAIRMAN. You do not think you could honestly be mistaken?

Mr. COMINSKY. Everybody is subject to mistake, yes.

The CHAIRMAN. Do you think now you are mistaken?

Mr. COMINSKY. I wouldn't say, not yet, unless it is proven to me that he was 12 miles away.

The CHAIRMAN. In other words, if we proved you were not telling the truth, then you will admit you were mistaken, is that it? Don't you know this whole thing is plain ridiculous, from start to finish? You know that, don't you?

Are there any further questions?

Senator CURTIS. Yes, Mr. Chairman.

What will be Mr. Wilken's penalty if you find him guilty?

Mr. COMINSKY. That is up to the decision of the body.

Senator CURTIS. What is it apt to be?

Mr. COMINSKY. I don't know.

Senator CURTIS. What would be the penalty in similar cases?

Mr. COMINSKY. I have never heard of a case like that in our local.

Senator CURTIS. No one else ever has.

Mr. COMINSKY. That is, where anybody passed a picket line.

Senator CURTIS. Now, how did Mr. Wilkens arrive on the scene that morning?

Mr. COMINSKY. I didn't see him arrive. He walked up to me by foot.

Senator CURTIS. You don't know whether he arrived by car?

Mr. COMINSKY. That I don't know.

Senator CURTIS. You don't know whether he arrived by streetcar?

Mr. COMINSKY. No.

Senator CURTIS. You don't know what his usual method of coming to that building is?

Mr. COMINSKY. That is his place of business. He operates from that building.

Senator CURTIS. Yes, but how does he usually come there, what mode of transportation?

Mr. COMINSKY. I really don't know.

Senator CURTIS. Do you know what kind of car he drives?

Mr. COMINSKY. No, I don't.

Senator CURTIS. Do you know where he parks it?

Mr. COMINSKY. No, I don't.

Senator CURTIS. How many entrances are there to the building?

Mr. COMINSKY. Two that I know of; one in the rear and one in the front.

Senator CURTIS. Are there any side entrances?

Mr. COMINSKY. That I can't remember.

Senator CURTIS. You don't remember?

Mr. COMINSKY. No.

Senator CURTIS. Which way does the front of the building face?

Mr. COMINSKY. The front of the building faces, I believe it is, north.

Senator CURTIS. Where was your picket line of these volunteers that you had?

Mr. COMINSKY. East, west, and north of the building.

Senator CURTIS. All around the building?

Mr. COMINSKY. Yes, sir.

Senator CURTIS. You didn't see him arrive?

Mr. COMINSKY. I did not.

Senator CURTIS. So you don't know what time he got there?

Mr. COMINSKY. That I couldn't say, what time he got there; no. The first time I saw him, as I said, was a little after 7:30.

Senator CURTIS. Yes; and you don't know whether he was in the building prior to that, do you?

Mr. COMINSKY. That I couldn't tell. The first time I saw him, like I say, was when he walked up to me.

Senator CURTIS. So you don't know what time he arrived at the building, do you?

Mr. COMINSKY. No; I do not.

Senator CURTIS. Nor who was with him?

Mr. COMINSKY. No; I do not.

Senator CURTIS. Nor how long he was in the building before you saw him?

Mr. COMINSKY. No; I do not.

Senator CURTIS. So you don't know that he crossed the picket line to get in the building?

Mr. COMINSKY. Well, he was outside the building talking to me.

Senator CURTIS. All right; answer my question.

Mr. COMINSKY. Pardon?

Senator CURTIS. You do not know that he crossed the picket line to get into the building, do you?

Mr. COMINSKY. No; that I don't know of. He talked to me, and after he left me he went to talk to Cruise, and then he went into the building.

Senator CURTIS. Yes; but you do not know that he crossed the picket line to get into the building, do you?

Mr. COMINSKY. Well, he went past the pickets. He has to go past the pickets to get into the building.

Senator CURTIS. Not if he gets there first. Well, you do not know, you have stated here under oath that you do not know what time he arrived, how he arrived, what his mode of transportation was, what time he went into the building, or how long he was in the building before you saw him.

Mr. COMINSKY. That is right.

Senator CURTIS. Now, it is true that you do not know that he crossed the picket line, do you?

Mr. COMINSKY. I could only say that after the conversation with William Cruise he went into the building.

The CHAIRMAN. If he had been in the building and had left the building and had gone off, he would have crossed the picket line, would he not?

Mr. COMINSKY. Yes; twice.

The CHAIRMAN. He would cross it going out?

Mr. COMINSKY. Going the other way.

The CHAIRMAN. Would you have preferred charges on him for that?

Mr. COMINSKY. I couldn't tell you.

The CHAIRMAN. You are just preferring charges for crossing the picket line. If he crossed and walked on out when he went out of the building, would you have preferred charges on him for crossing the picket line?

Mr. COMINSKY. He was not going to the place of business.

The CHAIRMAN. Well, he would be coming from it.

Mr. COMINSKY. That is right.

Senator CURTIS. You do not know when he arrived or how he arrived or what time he went into the building, for how long he was in the building, before you say that you talked to him.

Then, the truth is, you do not know that he crossed the picket line, do you?

Mr. COMINSKY. I can only say that I saw him go into the building after a discussion with William Cruise.

Senator CURTIS. Answer my question. You do not know that he crossed the picket line, do you?

Mr. COMINSKY. As far as I can say, he crossed the picket line after he talked to William Cruise and went into the building.

Senator CURTIS. But you do not know that he crossed the picket line, do you? You have stated that you do not know what time he arrived, how he arrived, when he went into the building, or how long he stayed there, have you not?

Mr. COMINSKY. I am not not that familiar with Mr. Wilkens, how he goes to work, his transportation.

Mr. KENNEDY. I think you are talking about different people. He is talking about Mr. Wilkens and you are talking about Mr. Skura.

Senator CURTIS. I am talking about Mr. Wilkens. He has stated under oath that he does not know when he arrived, what time he went into the building, how long he was there before this alleged conversation.

As a matter of fact, you know this is a frameup and a trap to bring charges against Mr. Wilkens, do you not?

Mr. COMINSKY. That I do not know.

Senator CURTIS. Do you deny it?

Mr. COMINSKY. That I have to deny.

Senator CURTIS. You have to deny? Why?

Mr. COMINSKY. Because I am preferring the charges. Nobody asked me to prefer the charges against Mr. Wilkens.

Senator CURTIS. I did not ask that, but the reason you are doing it is in order to bring trouble for Mr. Wilkens, is it not?

Mr. COMINSKY. No, it isn't. I naturally am bringing him trouble if I prefer charges against him for passing a picket line, but my charges are not political or anything like that.

Senator CURTIS. No; I have never seen anything like this in politics, but you say that your definition of crossing the picket line is if someone crossed the picket line to go to work. Now, you accuse the man of crossing a picket line when you say you do not know when he arrived, how he arrived, or when he went into where he works, or how long he was there before the picket line was formed.

By your own testimony, you have indicated that you have no evidence that he crossed the picket line.

That is all, Mr. Chairman.

The CHAIRMAN. You stand aside for just a moment and listen, please.

Mr. Skura, come forward please.

TESTIMONY OF CHARLES SKURA—Resumed

The CHAIRMAN. All right, Mr. Skura, you have been previously sworn?

Mr. SKURA. Yes, sir.

The CHAIRMAN. You identified yourself, I believe, early this morning.

Mr. SKURA. Yes, sir.

The CHAIRMAN. Have you heard this witness, Mr. Cominsky?

Mr. SKURA. Yes, sir.

The CHAIRMAN. Did you hear him testify?

Mr. SKURA. That is right.

The CHAIRMAN. Whatever day it was this strike was on, they put up that picket line, and you are supposed to have peeped around the corner of a building. Do you know where that building is?

Mr. SKURA. Yes, sir.

The CHAIRMAN. Have you ever been in it?

Mr. SKURA. Yes, sir.

The CHAIRMAN. You are familiar with it?

Mr. SKURA. Yes, sir.

The CHAIRMAN. Do you know this man that just testified?

Mr. SKURA. Yes, sir.

The CHAIRMAN. How long have you known him?

Mr. SKURA. I have met Edward Cominsky in 1956.

The CHAIRMAN. 1956?

Mr. SKURA. That is right. I met him at my brother's house.

The CHAIRMAN. How often have you seen him since?

Mr. SKURA. This is the first time I have seen him in about a year now.

The CHAIRMAN. About a year now?

Mr. SKURA. That is right, sir.

The CHAIRMAN. Do you remember the date that this picket line was put up?

Mr. SKURA. Yes, sir.

The CHAIRMAN. What date was it?

Mr. SKURA. December 18.

The CHAIRMAN. What year?

Mr. SKURA. 1957.

The CHAIRMAN. December 18, 1957? Where were you on that day, about 12 o'clock? Give us an account of yourself for the day, up to 12 o'clock.

Mr. SKURA. I arrived on the job about 7:15.

The CHAIRMAN. Where?

Mr. SKURA. On Shore Drive, Manhasset.

The CHAIRMAN. How far is that away from this building?

Mr. SKURA. Well, 12 miles, approximately.

The CHAIRMAN. Twelve miles?

Mr. SKURA. Yes, sir.

The CHAIRMAN. What did you do after you got to your job?

Mr. SKURA. I went to the job with my nephew. He drove me there in his car. No more than I got out of the car there was four pickets there. They put their placards on, "Unfair Labor Practices." I walked over to them and I said, "What is the gripe?" And they said, "Well, you know John C. Peterson didn't pay his welfare fund and we got the pickets up."

I said, "As long as Mr. Peterson didn't pay his welfare fund, I will walk with you boys." They said, "Well, you will not get on your machine and start it?" and I said, "Positively, not. This machine can rot right there. If he didn't pay the welfare fund, that means I didn't collect hospitalization and I am with you."

I walked the picket line for 1 hour. The captain of the pickets—I don't know his name offhand—he went out and bought coffee. The captain of the pickets was making a call to the labor lyceum every hour on the hour. I had been there from that time until the pickets went off exactly at 25 minutes to 1. The captain came back and said, "Everything is settled. You can go back to work."

I said, "I will not go back to work unless you take the placards off and leave the job." He said, "That we will do. Let's go, boys." He took the other boys with him and they said, "We are going to get another sucker," and off they went.

The CHAIRMAN. Going to get another sucker?

Mr. SKURA. That's right. I got on my machine and said to my nephew, "You get on East Shore Road and go to your job. If the pickets are there, do not go to work, but sit in your job."

The job is approximately one mile and a half from Shore Road, in Manhasset, and they are both in Manhasset.

The CHAIRMAN. You walked the picket line, then, from the time you got to the job until about 1:30?

Mr. SKURA. I did. In fact, around 10:30 there was a police car that came up and they motioned to me to come over. I walked over to the police car and they said, "We have orders from headquarters and the DA's to make a report of what is going on here. We want no violence."

They asked me my name and I told them my name. They said, "Who are the other men there?" and I said, "There is the captain of the pickets. You better get your information from him." They went to him and whatever information they got, I couldn't tell you, but that was supposed to go on the blotter at headquarters.

The CHAIRMAN. You do not remember the policeman's name?

Mr. SKURA. No, sir.

The CHAIRMAN. I think we have the information. I think he verifies your statement.

Mr. Adlerman, be sworn.

Do you solemnly swear the evidence you shall give before this Senate select committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. ADLERMAN. I do.

TESTIMONY OF JEROME S. ADLERMAN

The CHAIRMAN. You are a member of the staff of this committee?

Mr. ADLERMAN. I am.

The CHAIRMAN. State whether you have checked with the police department in that area with respect to the statement made by this witness, Mr. Skura, as to his being on that picket line at the time he says he was, at 10 o'clock about, that morning, and whether the officer conferred with him, as he stated.

Mr. ADLERMAN. I did, sir.

The CHAIRMAN. What is the name of the officer?

Mr. ADLERMAN. I spoke to an Inspector Scott, of the Mineola County Police, Mineola, N. Y., on the telephone. I asked him to check whether or not there had been a police patrol car present on the Manhasset job. He said there was.

He checked for me and he told me that one of the men that was listed by the policemen on the job as being there was Mr. Skura.

The CHAIRMAN. Charles Skura?

Mr. ADLERMAN. That is right. Mr. Skura was sitting in a car at the time the patrolman was there. The picket line, he said, lasted about 2½ hours to 3 hours. He took the names of some other men on the picket line.

Manhasset, Long Island, to my knowledge, is between 8 to 12 miles from Baldwin, Long Island.

The CHAIRMAN. Thank you very much.

TESTIMONY OF CHARLES SKURA—Resumed

The CHAIRMAN. Mr. Skura, what time did you leave that job that day?

Mr. SKURA. I left that job at exactly 4:30, my quitting time.

The CHAIRMAN. When you left the picket line, you went right to work?

Mr. SKURA. At a quarter to 1.

The CHAIRMAN. On your machine?

Mr. SKURA. On my machine, which is a payloader. They call it a front-end loader.

The CHAIRMAN. Did you go to or did you see the building in which the office of J. C. Peterson Co. was located that day?

Mr. SKURA. No, sir, I did not.

The CHAIRMAN. Did you get inside of it?

Mr. SKURA. No, sir, I did not.

The CHAIRMAN. Not at any time?

Mr. SKURA. Not at any time.

The CHAIRMAN. I assume, then you did not peep around the corner.

Mr. SKURA. Positively not. It must have been my shadow.

The CHAIRMAN. I do not know. I do not know whether Long Island has long shadows or not, but it would take a pretty long shadow.

Mr. SKURA. May I make a statement?

The CHAIRMAN. Yes, you may.

Mr. SKURA. This shows how our local, by our president, is run to crucify the reform group and kill them right here.

The CHAIRMAN. In other words, the whole thing is a frameup?

Mr. SKURA. It is a frameup.

The CHAIRMAN. What would you say about this manner of picketing, just a little group getting together and calling for volunteers. I have heard of wildcat strikes. This seems to me to be kind of a furious wildcat strike.

Mr. SKURA. This was not done in a democratic procedure but was done in a dictatorial procedure. Mr. DeKoning knew what he was going to do. That was the way he wanted it done. Eddy Cominsky knew all about it. Everybody knew all about it who was at that meeting of the night before. You are supposed to notify the master mechanics on the job that the welfare fund was not paid by J. C. Peterson Co. and you are hereby instructed to get all of your engineers, your oilers, or whatever men you have working in that capacity, get them together and do not work until further notice until Mr. J. C. Peterson pays his welfare fund, which we would gladly do.

Mr. KENNEDY. What was Mr. DeKoning trying to do?

Mr. SKURA. He was trying to get us down and drag us right down in the gutter and he has made statement, by hearsay, that I have heard, that he is going to drag us down and get rid of the reform groups, starve them to death. That is his one method.

Mr. KENNEDY. He was going to get you framed so you could be thrown out of the union?

Mr. SKURA. So I could be expelled from 138 of the Operating Engineers and have no livelihood whatsoever, to go back to laboring, or whatever I can do to make a living. He starved me for months.

Mr. KENNEDY. That is why he had you identified as going through a picket line 12 miles from where you were working?

Mr. SKURA. That's right, forcibly identified.

The CHAIRMAN. Have you ever gone through a picket line in your life?

Mr. SKURA. Never. I never intend to do it. This is my 21st year as an operating engineer in local 138.

The CHAIRMAN. Any questions, Senator?

Senator CURTIS. How long have you known Mr. Wilkens?

Mr. SKURA. Lou Wilkens?

Senator CURTIS. Yes.

Mr. SKURA. I have known Lou Wilkens for the past 20 years.

Senator CURTIS. You have heard the charges discussed against him. Do you believe them?

Mr. SKURA. What was that?

Senator CURTIS. You have heard the charges discussed against him about the picket line. Do you believe them?

Mr. SKURA. No, sir. I think they are framing him. They are trying to frame him so they can kill the reform movement. There are five reformers working for J. C. Peterson and the only way they can get rid of him is to bring charges against the master mechanic, who is doing a terrific job.

He is the one that kept the reform movement alive, who gave us the bread, not William DeKoning, Jr., or none of his stooges. When I went there to get a job, they slammed the door in my face and said, "Get out of here. Why don't you smarten up?" And I said, "I wouldn't do that. I would rather die first" and I would still rather die than go with a dictator. I will go on a little further.

That is the way they have done this. They are trying to bring charges which are false against Louis Wilkens and myself. They figure if they get the master mechanic and Charles Skura, they can expel them from 138. He can put his goons in J. C. Peterson and wreck J. C. Peterson. That is his motive.

The CHAIRMAN. All right, thank you very much.

Call the next witness.

Mr. KENNEDY. Mr. William DeKoning.

The CHAIRMAN. All right, Mr. DeKoning. You do solemnly swear the evidence you shall give before this Senate select committee shall be the truth, the whole truth and nothing but the true, so help you God?

Mr. W. DeKONING. I do.

TESTIMONY OF WILLIAM C. DeKONING, JR., ACCOMPANIED BY HIS COUNSEL, JAMES G. BLAKE

The CHAIRMAN. State your name, your place of residence and your business or occupation.

Mr. W. DeKONING. William C. DeKoning, Jr., 335 California Avenue, Uniondale, Long Island.

The CHAIRMAN. What is your business or occupation?

Mr. W. DeKONING. I represent the International Union of Operating Engineers, Local 138.

The CHAIRMAN. In what capacity?

Mr. W. DEKONING. As president and business manager.

The CHAIRMAN. Business manager?

Mr. W. DEKONING. Yes, sir.

The CHAIRMAN. President and business manager?

Mr. W. DEKONING. Yes, sir.

The CHAIRMAN. You have counsel present? Mr. James Blake represents you?

Mr. W. DEKONING. Yes, sir, Senator.

The CHAIRMAN. Proceed, Mr. Kennedy.

Mr. KENNEDY. You have been in Local 138 for how long?

Mr. W. DEKONING. Since 1941.

Mr. KENNEDY. You came in in 1941 as what?

Mr. W. DEKONING. As an engineer.

Mr. KENNEDY. Where were you operating as an engineer?

Mr. W. DEKONING. I was working at that time—I think it was for the Hendrickson Bros.

Mr. KENNEDY. For the Hendrickson Bros.?

Mr. W. DEKONING. Yes, sir.

Mr. KENNEDY. That is the company we heard testimony about before this committee?

Mr. W. DEKONING. Yes, sir.

Mr. KENNEDY. And your father then held what position?

Mr. W. DEKONING. He was the business manager of the local.

Mr. KENNEDY. How long did you work for Hendrickson Bros.?

Mr. W. DEKONING. Gentlemen, I don't remember.

Mr. KENNEDY. For how many years?

Mr. W. DEKONING. I have worked off and on for different contractors, such as Hendrickson and other contractors in the area.

Mr. KENNEDY. Since 1941?

Mr. W. DEKONING. Yes, sir.

Mr. KENNEDY. You became an officer of the union on what date?

Mr. W. DEKONING. I think it was in 1950.

Mr. KENNEDY. What were you——

Mr. W. DEKONING. December.

Mr. KENNEDY. What were you doing just prior to that?

Mr. W. DEKONING. I was running a crane for the Lipsite Construction Co.

Mr. KENNEDY. Where was that?

Mr. W. DEKONING. Napanoch, N. Y.

Mr. KENNEDY. Is that up-state New York?

Mr. W. DEKONING. Yes, sir.

Mr. KENNEDY. Were you elected treasurer?

Mr. W. DEKONING. I was appointed under the constitution as the financial secretary.

Mr. KENNEDY. Who appointed you?

Mr. W. DEKONING. The line officers of the union.

Mr. KENNEDY. Who were the line officers?

Mr. W. DEKONING. Mr. Sofield, Mr. Semilla, Mr. Bell, my father; I think those are they. They represented the officers of the union, the line officers.

Mr. KENNEDY. What position did your father hold at that time?

Mr. W. DEKONING. He was the business manager and I think he was the president.

Mr. KENNEDY. He held the main job, the main position?

Mr. W. DEKONING. Yes, sir, he did.

Mr. KENNEDY. And then you held the position—what was it?

Mr. W. DEKONING. Financial secretary.

Mr. KENNEDY. Financial what?

Mr. W. DEKONING. Secretary.

Mr. KENNEDY. You held that position for how long?

Mr. W. DEKONING. Until 1953.

Mr. KENNEDY. And were you ever up for election in that position?

Mr. W. DEKONING. No, sir.

Mr. KENNEDY. What position did you take in 1953.

Mr. W. DEKONING. The presidency.

Mr. KENNEDY. You became president then?

Mr. W. DEKONING. Yes, sir.

Mr. KENNEDY. Were you elected to that position?

Mr. W. DEKONING. No, sir; I was appointed by the line officers.

Mr. KENNEDY. Who were the line officers then?

Mr. W. DEKONING. I think they were the same respective officers.

Mr. KENNEDY. What was your father doing?

Mr. W. DEKONING. I think he retired at that time.

Mr. KENNEDY. And you took over his job?

Mr. W. DEKONING. Yes, sir, I did.

Mr. KENNEDY. And he became president emeritus, did he?

Mr. W. DEKONING. Yes, sir.

Mr. KENNEDY. And you held that position for how long?

Mr. W. DEKONING. I held that position until 1954.

Mr. KENNEDY. What happened in 1954?

Mr. W. DEKONING. In 1954 I was convicted of coercion, a misdemeanor.

Mr. KENNEDY. You and your father?

Mr. W. DEKONING. My father was convicted of—I forget.

Mr. KENNEDY. Extortion?

Mr. W. DEKONING. I think it was, yes, extortion and grand larceny.

Mr. KENNEDY. A felony?

Mr. W. DEKONING. Yes.

Mr. KENNEDY. And he went to jail?

Mr. W. DEKONING. Yes, sir.

Mr. KENNEDY. What happened to you?

Mr. W. DEKONING. The sentence I received was to stay out of labor for a year.

Mr. KENNEDY. Were you put on probation, also?

Mr. W. DEKONING. Yes, I was. No, no, I was not on probation. Just to stay out of labor for a year.

Mr. KENNEDY. You retired, then, from the position of president of the union?

Mr. W. DEKONING. Yes, sir, I went back to work.

Mr. KENNEDY. Did you come back into the union again?

Mr. W. DEKONING. In 19—I think it was 1955. Yes, sir.

Mr. KENNEDY. 1955?

Mr. W. DEKONING. Yes, sir.

Mr. KENNEDY. What position did you take then?

Mr. W. DEKONING. I was appointed the presidency.

Mr. KENNEDY. You were appointed president again?

Mr. W. DeKONING. Yes, sir.

Mr. KENNEDY. You have held this position since 1950, except for the year that you were on probation?

Mr. W. DeKONING. No, 1953.

Mr. KENNEDY. Yes, but you held the position, I believe with the union, from 1950 up until 1955 without having an election, except the year you were suspended because of being convicted for coercion of workers and contractors. Is that right? You still had not been elected?

Mr. W. DeKONING. I was not convicted of coercion of contractors.

Mr. KENNEDY. What were you convicted of?

Mr. W. DeKONING. I was convicted of coercion.

Mr. KENNEDY. Of whom? Who were you coercing?

(The witness conferred with his counsel.)

Mr. W. DeKONING. A contractor did not put one of the engineers on the job to work.

Mr. KENNEDY. You were coercing a contractor, then?

Mr. W. DeKONING. Yes, sir.

Mr. KENNEDY. Then in 1950 you were appointed to a position, an important position in the union. In 1953 you were appointed to a position as president, of the union. You are convicted in 1954 and you have a suspended sentence—excuse me. The court rules that you will have nothing to do with labor for a year. You come back and are appointed once again as president of the local?

Mr. W. DeKONING. Yes, sir.

Mr. KENNEDY. That is in 19—what?

Mr. W. DeKONING. 1955.

Mr. KENNEDY. You never had an election up until that time?

Mr. W. DeKONING. No, sir.

Mr. KENNEDY. Then you remained president and you are still president of the local; are you?

Mr. W. DeKONING. Yes, sir.

Mr. KENNEDY. We have had some testimony here regarding who can vote in elections, when you do have elections. What is the breakdown as far as your local is concerned?

Mr. DeKONING. It is broken into three categories, Counsel. It is engineers, apprentices, and oilers.

Mr. KENNEDY. Local 138?

Mr. W. DeKONING. There is 138, 138-A, and 138-B.

Mr. KENNEDY. How many are in 138?

Mr. W. DeKONING. Five hundred plus.

Mr. KENNEDY. And 138-A is how many?

Mr. W. DeKONING. Comparatively the same, five hundred and something.

Mr. KENNEDY. And how many in 138-B?

Mr. DeKONING. I think it is two hundred and some.

Mr. KENNEDY. And how many permit men?

Mr. DeKONING. Permit men vary. When there is an influx of work, there is more permit men than when the work subsides. We are a seasonal occupation.

Mr. KENNEDY. Approximately what does it range from?

Mr. DeKONING. Anywhere at the present time from 200 to 500.

Mr. KENNEDY. Can the men in local 138-A and local 138-B vote in a ballot election?

Mr. DEKONING. No. Under the constitution of our international union, local 138-A are apprentices. They must be members of the parent body. They must be members of the senior local union of 138 to vote.

Mr. KENNEDY. Is there any automatic test whereby men from 138-B get into 138 or men from 138-A get into 138 and are able to vote in the elections?

Mr. DEKONING. No. There is no test, Counselor. They serve their time. Up until a period of before a year ago, any member that wanted, it was his prerogative, I will say, to transfer from 138-A local into the parent body, he could, by going before the executive board and making application as to the machinery he was equipped to run, and then present himself before the membership and be taken in, and the vote of the membership in the parent body, their action would be final, whether he would become a member or whether he would not become a member.

Mr. KENNEDY. Is it based on one's professional skill?

Mr. DEKONING. Not necessarily, no, sir.

Mr. KENNEDY. Somebody can be very skilled, have a great deal of experience in operating these machines, and yet not be able to get into local 138 and vote for his officers?

Mr. DEKONING. Well, that is true; yes, sir.

Mr. KENNEDY. And yet somebody else who happens to be well liked and who has no skill at all or relatively little skill can be taken into local 138?

Mr. DEKONING. That could be true; yes, sir.

Mr. KENNEDY. That is under the present arrangement?

Mr. DEKONING. It is not an arrangement. It is the constitution of our international union.

Mr. KENNEDY. Do you approve of that?

(The witness conferred with his counsel)

Mr. KENNEDY. I think he can answer that, Mr. Blake.

Mr. BLAKE. I am sorry, counselor. I reminded him of something he wanted to do in connection with that.

Mr. DEKONING. Yes. I discussed that situation with some people about changing it. But at the present time we have a ruling in our organization, where the motion, I think, was made by John DeKoning, where a man would have to serve 4 years in the A or B local before he would be able to transfer into the parent local. That is on the statute books right now of our organization.

Mr. KENNEDY. There is nothing in the constitution that prevents you from taking people in from local 138-A into local 138?

Mr. DEKONING. There is nothing in the constitution.

Mr. KENNEDY. That prevents you from bringing people from 138-A into 138?

Mr. DEKONING. No, sir. All they do is go through the regular ritual of the constitution.

Mr. KENNEDY. But according to what you say, you still have approximately 500 people in local 138-A that have not gotten into local 138.

Mr. DEKONING. It is not that they haven't gotten counselor. It is their prerogative. Some of them don't want to go in.

Mr. KENNEDY. Would you say that the majority don't want to go in?

Mr. DeKONING. I would say "yes."

Mr. KENNEDY. Would you say a majority?

Mr. DeKONING. Yes.

Mr. KENNEDY. Why wouldn't they want to come in?

Mr. DeKONING. Well, a lot of the fellows that work are good operators and during the summertime when there is an influx of work, they are put out as engineers, which is the same category as if they were working as members of the engineers union. When the work subsides, they go and do the apprentice work during the winter months, and that has been the practice and policy. They fare very well to stay in the A local.

Mr. KENNEDY. A person in 138 cannot do apprentice work?

Mr. DeKONING. No, sir. He is not permitted.

Mr. KENNEDY. He is not permitted to?

Mr. DeKONING. Not as an oiler.

Mr. KENNEDY. Can he do any other kinds of apprentice work?

Mr. DeKONING. Yes. There are times when he does run a bulldozer.

Mr. KENNEDY. Then there is no problem. He can do other work.

Mr. DeKONING. There is no problem.

Mr. KENNEDY. Anyway, you have a number of people in local 138—A that want to get into local 138—B.

Mr. DeKONING. Let me say, Counselor, there is nothing stopping them, only the regular ritual of the organization.

Mr. KENNEDY. The regular ritual of the organization evidently does stop them, because a lot of them cannot get in, even though they may have the skill to get in to practice their trade.

Mr. DeKONING. Counsel, this is not a fault of mine. What have I got to say about the members of the organization?

There is a check and balance system in our organization, as there is in any union.

Mr. KENNEDY. What does that mean?

Mr. DeKONING. In between executive board meetings, the president has the power to do certain things which, of course, are acted on by the executive board when they meet, and the final say is the membership of the union. Whatever they say, that is what is done.

Mr. KENNEDY. Do you mean your recommendation on these matters has very little to do with it? Is that right?

For instance, your father's recommendation before that, that you be made secretary, or financial secretary; later on that you be made president; and later on, when you served your suspension, that you be made president again—all of those things, don't you think, show that the leadership dominates and controls that local?

Mr. DeKONING. Well, no, I wouldn't say that, counselor, because there are times when I have appeared before the membership on the floor, and we have one situation definitely right here that you heard this afternoon. We have a member of our union, Garrett Nagel, who is a good operator, who operates quite a bit of equipment, as far as an engineer is concerned, he operates engineering equipment and works as an engineer most of the time. But he has made application to become a member of local 138 and has been turned down, I think three times.

I took the floor the last time the man was turned down, and I pleaded with the members of the organization to give this man a chance, by secret ballot, if necessary, to take this man into the organization of engineers.

I was completely overruled. That is the situation where the rule is in the hands of the members of the union, not of the president.

(The witness conferred with his counsel.)

Mr. DEKONING. Another situation which would align with what you say is that we had a boy coming up for membership in the union, who I knew for many, many years, who happened to be the son of Louis Wilken. The membership turned him down cold. I pleaded with the membership that this boy be taken into the organization, due to his father, how long he has been in the union, and his standing in the organization, and the membership did vote to take the boy into the union. But prior to that they voted him down.

Mr. KENNEDY. Your testimony before this committee, as well as your own history in the local, indicates that there is complete control and domination in the local by 1 or 2 people.

Mr. DEKONING. The domination is not so, Counsel. It might be said as so, but I have definite proof, documentary proof. I don't have it here at the present time, as you know. I have asked you if I could take a little time to get it. There are different situations that I don't remember offhand, but they disprove that there is no domination of the organization.

Senator CURTIS. May I ask a question or two?

Mr. DEKONING. Yes, sir.

Senator CURTIS. Have you ever presided over any hearing that resulted in expelling anybody?

Mr. DEKONING. Yes, sir; I have.

Senator CURTIS. In how many?

Mr. DEKONING. Two hearings.

Senator CURTIS. Just two?

Mr. DEKONING. Yes, sir.

Senator CURTIS. Who were the charges against?

Mr. DEKONING. The charges were against—they were charges against Walter Miller, John DeKoning, and William Wilken.

Senator CURTIS. And that is all?

Mr. DEKONING. Yes, sir.

Senator CURTIS. What happened to them?

Mr. DEKONING. Well, we had the honest ballot association there, and after the trial was over they were voted guilty and expelled from the union.

Senator CURTIS. Who determined what their punishment would be?

Mr. DEKONING. The president of the union.

Senator CURTIS. And that was you?

Mr. DEKONING. Yes, sir.

Senator CURTIS. How long did you expel them for?

Mr. DEKONING. There was no definite term, Senator.

Senator CURTIS. Just forever?

Mr. DEKONING. Yes, sir.

Senator CURTIS. What were the charges against them?

Mr. DEKONING. That they brought disrepute to the international union — .

Senator CURTIS. That they did what?

Mr. DEKONING. Disrepute. They brought our international and local union and the officers of the international and local union into disrepute.

Senator CURTIS. Don't give me that rigmarole. What did they do?

Mr. DEKONING. Well, they picketed our international union. They picketed our local union, with placards with remarks in reference to the officers of the union.

Senator CURTIS. Were the remarks to you?

Mr. DEKONING. No, sir; they weren't.

Senator CURTIS. What did the remarks say?

Mr. DEKONING. There was some slanderous remarks on the placard.

Senator CURTIS. What did they say?

Mr. DEKONING. That I liked to starve them, that DeKoning dominates the union, dominates the hiring and firing, and wanted to starve their families and children.

The CHAIRMAN. Let me ask you something: If that is an offense for which they are expelled, what are you going to do with these gentlemen here that testified under oath that you are that sort of a dictator?

Mr. DEKONING. Well, that term "dictator" has been used——

The CHAIRMAN. Well, that is what they said. They said you were a dictator. These men today have testified to the same thing just as strongly, under oath and emphatically. Are they to be expelled now because they come before this committee and tell us you are a dictator?

Mr. DEKONING. No, siree; I wouldn't expel them.

The CHAIRMAN. Would you take the others back? They didn't do any worse?

Mr. DEKONING. Well, I would; yes, sir.

The CHAIRMAN. I would like to see you reinstate them immediately.

Mr. DEKONING. I would; yes, sir.

The CHAIRMAN. Can we have your promise of that?

Mr. DEKONING. You can have my promise, Senator, but there are members of the organization.

The CHAIRMAN. You can have them reinstated, if you will.

Mr. DEKONING. I will do everything in my power. One of those men is my cousin, my own blood relative.

The CHAIRMAN. Let blood be a little thicker than water in this instance. Take him back in.

Senator CURTIS. You talked about bringing the local and international union in disrepute. When officers of a union are convicted of a crime, does that bring them into disrepute?

Mr. DEKONING. Well, I would answer it this way——

Senator CURTIS. Well, does it?

Mr. DEKONING. No, sir.

Senator CURTIS. It doesn't bring them in to disrepute?

Mr. DEKONING. Not in my case, no, sir.

Senator CURTIS. I didn't say anything about your case. I said if officers of a union are convicted of a crime, does it bring the union in disrepute, or does it bring the criminals in disrepute?

Mr. DEKONING. It is according to the crime, sir. Would you call why I was convicted of a crime, trying to put a member of the union to work?

Senator CURTIS. Well, you testified here that you were convicted. It is your contention that does not bring the union into disrepute?

Mr. DEKONING. I agree, yes, that I plead guilty to coercion.

Senator CURTIS. But that does not bring the union into disrepute? Why don't you bring charges against yourself and expel yourself for life?

Did you ever hear anything about equal justice?

Mr. DEKONING. Well, Senator, the members of the union have that right. They have that right to bring charges against me.

Senator CURTIS. Would you permit all the members of the parent organization and A and B to vote in a secret ballot on whether or not to expel you?

Mr. DEKONING. Senator, I did that.

Senator CURTIS. You permitted all of A and B and the parent organization to vote in a secret ballot on whether or not to expel you?

Mr. DEKONING. Yes, sir—not to expel me, no, sir. There was quite a discussion going on in our local union that the business manager of the local was never elected to the office. I went to our international president and I told him what the situation was, that the reform group in the organization wanted the A men in the local union to vote.

As I said before, we have a constitution that we must abide by, and we do that. I asked special permission from our international president to give these men that are in the branch local unions the power to vote. I called a special meeting of our local union, and I pleaded as the business manager of the local union to give each and every man the opportunity to run for the office and for each and every man to vote. We had the Honest Ballot Association there and held it in secret ballot.

Senator CURTIS. But you never let them vote on whether or not you should have been expelled by reason of your pleading guilty to a criminal charge?

Mr. DEKONING. I have never been brought up on charges in reference to that. That is the prerogative of every man in our union. If they think I have done something detrimental to our organization, they have that right.

Senator CURTIS. We have had testimony here today by individuals who have disagreed with the top members of this committee, who have appeared in the little room, have had the windows shut down. Is that true or isn't it?

Mr. DEKONING. I would say no, Senator, because these men, there are 1,200 members—

Senator CURTIS. Is it true or isn't it?

Mr. DEKONING. I would say no, it is not true.

Mr. KENNEDY. Do you know George Welbourne?

Mr. W. DEKONING. Yes, sir.

Mr. KENNEDY. Is he out there with you? What is his position out there?

Mr. W. DEKONING. He is a member of the union.

Mr. KENNEDY. Is he a close personal friend of yours?

Mr. W. DEKONING. Not necessarily. He is a member of the union.

Mr. KENNEDY. What section of the union?

Mr. W. DEKONING. He is in 138. He has been transferred.

Mr. KENNEDY. When was he transferred?

Mr. W. DeKONING. I think about 2 years ago. The first time he came up, he didn't have 4 years in the union, and he was turned down.

Mr. KENNEDY. Do you know his police record?

Mr. W. DeKONING. No; I don't know his police record.

Mr. KENNEDY. Do you know that he was arrested in 1949? Do you know what he was arrested for?

Mr. W. DeKONING. In 1949?

Mr. KENNEDY. Yes.

Mr. W. DeKONING. No, sir; I don't.

Mr. KENNEDY. Well, it was a very serious crime, and he was ultimately convicted in 1949 for third degree assault. Did you know that?

(The witness conferred with his counsel.)

Mr. W. DeKONING. Well, I don't know that. I didn't know that.

Mr. KENNEDY. What about Akalitis? Do you know Akalitis?

Mr. W. DeKONING. Yes, sir; I do.

Mr. KENNEDY. How long have you know him?

Mr. W. DeKONING. I have known Albert about 5 years.

Mr. KENNEDY. How long has he been—is he associated with the union?

Mr. W. DeKONING. He works at the trade; yes, sir.

Mr. KENNEDY. What does that mean, that he works at the trade?

Mr. W. DeKONING. He is an engineer. He works at the trade of an engineer.

Mr. KENNEDY. Is he in the local?

Mr. W. DeKONING. Yes.

Mr. KENNEDY. What number is he?

Mr. W. DeKONING. 138-B.

Mr. KENNEDY. 138-B?

Mr. DeKONING. Yes, sir.

Mr. KENNEDY. Did you have some conversations with him prior to the time that he entered in 138?

Mr. W. DeKONING. Yes; I knew him. I knew him before that.

Mr. KENNEDY. Did you oppose him as being a member of 138 B?

Mr. W. DeKONING. No.

Mr. KENNEDY. You did not think he would bring the union into disrepute?

Mr. W. DeKONING. Counselor, I feel that the situation is such that a man has the right to earn a living.

Mr. KENNEDY. Yes.

The CHAIRMAN. There are some men sitting behind you that want that right.

Mr. W. DeKONING. Senator, the men sitting behind me earn anywhere from \$7,500 to \$12,000 a year. That is documentary proof that I wish to prove.

The CHAIRMAN. In spite of the fact they were expelled from the union?

Mr. W. DeKONING. Well, as far as the action of the local union, there is nobody that takes their job away from them.

The CHAIRMAN. All right. Proceed.

Mr. KENNEDY. What about Akalitis?

Don't you think having him associated with the union brings the union into disrepute, which is what you are trying to avoid, I understand?

Mr. W. DEKONING. Well, Mr. Counselor, there are many men in the organization. I don't ask for their records as to whether they are good, bad, indifferent.

Mr. KENNEDY. You seemed worried and upset about somebody bringing the union into disrepute.

I bring to your attention George Welbourne, who has been convicted of a serious crime, who has been charged by members of your local with coercive tactics.

You have Akalitis, as has been brought out, who is in your local, associated with your local.

Mr. W. DEKONING. Counselor, let me explain something.

Mr. KENNEDY. Let me finish.

Mr. W. DEKONING. If he was in your local, and it is how you feel—it is not I, but the members of the union who bring these feelings. It is not I. It is not my union.

Mr. KENNEDY. How do you get the position when you are brought down from upstate New York and made financial secretary of the local?

Mr. W. DEKONING. When I was brought down from upstate New York, I was called by my father.

Mr. KENNEDY. How were you made president of the local?

Mr. W. DEKONING. Voted by the line officers of the union, in accordance with the constitution.

Mr. KENNEDY. It seems to me that all of these facts, and your denials of the facts that you dominate and control this local as you do, makes no sense in view of what has happened and in view of your own position in the local.

If anyone has brought local 138 into disrepute, it has been yourself.

Mr. W. DEKONING. We can argue that situation, Counselor.

Mr. KENNEDY. Well, Mr. Chairman, the facts are established, and the facts are in the record.

Mr. W. DEKONING. I would like to refute those facts, and be able to bring documentary proof, Senator, on Monday, if I can.

The CHAIRMAN. You do not have it today?

Mr. W. DEKONING. No, sir; I don't.

The CHAIRMAN. All right, then. We assume we have concluded what we can do today.

I was very sincere in what I said about reinstating these men.

Mr. W. DEKONING. Yes, Sir; and so was I.

The CHAIRMAN. I will ask you to give me a report in 10 days as to whether they have been reinstated or not. If you want to—

Mr. W. DEKONING. I have the membership to consider, and I have to present it to the membership.

The CHAIRMAN. You can call a meeting and present it. You can do a lot of things with a few members present. I am sure you can present it.

Mr. W. DEKONING. I heard that testimony; yes, sir.

Mr. KENNEDY. I want to find out one thing on the matter that Senator Curtis was asking about.

On the strike that took place, on which we have had testimony, did you consult with the employees, people working there, as to whether a strike should be called?

Mr. W. DEKONING. The reason that a strike was called was not a situation or a grievance of the employees. It was a breach of contract with our local union. It was a breach of State law.

Under section 220 of the State labor law of the State of New York, a man must pay his fringe benefits, or else get himself in what we call a blacklist state.

Mr. KENNEDY. Did you consult with the employees?

Mr. W. DEKONING. No, sir; I sent a telegram to the master mechanic in charge of the men.

Mr. KENNEDY. Did you tell him in that there would be a strike?

Mr. W. DEKONING. No, sir; I wouldn't say that in a telegram, with the situation, with the laws being as they are. I told him that the men would take the necessary steps.

Mr. KENNEDY. Do you not think the employees, the men working there, should have something to say about it?

Mr. W. DEKONING. It is a violation of the contract.

Mr. KENNEDY. Why didn't you consult with them?

Mr. W. DEKONING. They were consulted when they met the picket line in the morning. It was their prerogative to go through that picket line and work or refrain from going through the picket line.

Mr. KENNEDY. You are talking about the fact that the membership are the ones to make a decision.

Mr. W. DEKONING. This is a decision that was made by the office.

Mr. KENNEDY. Here, once again, is proof that the membership are not consulted and have no right and no say in the affairs of the union, in the operations of the local.

Mr. W. DEKONING. Well, during the time between meetings, Counselor, the office of the organization, or the decisions of the organization, are made by the president, and we had a clear-cut decision here, which was in violation of our contract and violation of the labor laws of the State of New York.

Mr. KENNEDY. Are you going to drop the charges or have the charges dropped against Wilkens and Skura?

Mr. W. DEKONING. That is not my prerogative. If a man brings charges, the testimony is heard and a decision is made by the members of the union as to whether he is guilty or not guilty.

Mr. KENNEDY. What do you do? What part do you play?

Mr. W. DEKONING. As far as myself is concerned, the president of the union, under the constitution, acts as the judge, unless he brings the charges. Then in that case, an alternative is picked.

Mr. KENNEDY. You consulted with Mr. Cominsky prior to the time that the charges were drawn?

Mr. W. DEKONING. He came to me and asked me about it.

Mr. KENNEDY. You are the one that imposes the sentence on these people?

Mr. W. DEKONING. Let me explain that.

When a man is notified of charges, he is notified of what section of the constitution he violates. It is a man's prerogative to bring charges, and they are presented to the secretary of the union.

(The witness conferred with his counsel.)

TESTIMONY OF EDWARD J. COMINSKY—Resumed

The CHAIRMAN. Mr. Cominsky, are you the witness that testified a moment ago?

Mr. COMINSKY. Yes, sir.

The CHAIRMAN. Before we adjourn, I want to ask you this question, and you are still under oath.

I want to ask you now, after having heard Mr. Skura testify, after having heard him testify that he was approximately 12 miles away all that day and could not possibly have been present, I want to ask you again under oath whether you say you saw him peeping around the building?

Mr. COMINSKY. If Mr. Skura was 12 miles away, I must have been badly mistaken.

The CHAIRMAN. Are you?

Mr. COMINSKY. I am not going to say it was Mr. Skura, if he was 12 miles away.

The CHAIRMAN. If he was 12 miles away, why should you say you saw him?

Mr. COMINSKY. That is right.

The CHAIRMAN. Then you were wrong about him?

Mr. COMINSKY. I was wrong about him.

The CHAIRMAN. Then you are ready to withdraw your charges?

Mr. COMINSKY. I will withdraw my charges at the local?

The CHAIRMAN. You will withdraw your charges at the local?

Mr. COMINSKY. If Mr. Skura could prove to me.

The CHAIRMAN. I did not ask what he could prove to you.

Will you now withdraw them? Will you doubt what he says?

I am going to try to see. If he has told us a falsehood today under oath, I am going to do my best to see that the processes of justice take care of him and send him where he belongs; and I am going to do the same with you, if you have come in here and willfully perjured yourself, as far as I have anything to do with it.

Mr. COMINSKY. I am not willfully perjuring myself.

The CHAIRMAN. Do you say now you saw him or did you not see him?

Mr. COMINSKY. I will say there must have been a mistake.

The CHAIRMAN. You are mistaken?

Mr. COMINSKY. Yes.

The CHAIRMAN. You are ready to withdraw your charges against him?

Mr. COMINSKY. Against him; I will; yes, sir.

Mr. KENNEDY. There are charges against Mr. Wilkens, too.

The CHAIRMAN. What do you say about Mr. Wilkens?

Mr. COMINSKY. Mr. Wilkens?

I will not withdraw my charges.

The CHAIRMAN. You are not going to withdraw those?

Mr. COMINSKY. Not for Mr. Wilkens.

The CHAIRMAN. This is about as long as we can run this afternoon.

TESTIMONY OF WILLIAM C. DeKONING, JR.—Resumed

Mr. W. DeKONING. This afternoon I heard testimony to the effect that the ethical practices committee of the AFL-CIO did nothing for 2 years.

The CHAIRMAN. Took no action?

Mr. W. DeKONING. The ethical practices committee did send in the representative, and there was hearings, there was findings, findings published.

The CHAIRMAN. And findings have been published?

Mr. W. DeKONING. Yes, sir.

Do we have them?

Mr. KENNEDY. What were the findings?

Mr. W. DeKONING. They sent in a representative by the name of Ralph Wright, and there was hearings. I think there was hearings for 10 days in the Commodore Hotel, I think.

Mr. KENNEDY. What were the findings?

Mr. W. DeKONING. I couldn't tell you offhand. I will have the report here for you.

The reports are lengthy, let me say that. There are voluminous reports.

Mr. KENNEDY. They have not done anything about 138?

Mr. W. DeKONING. Maybe they are feeling there is nothing wrong with 138.

The CHAIRMAN. Have they said so?

Mr. W. DeKONING. Yes.

The CHAIRMAN. They have said there is nothing wrong with it?

Mr. W. DeKONING. Yes.

The CHAIRMAN. I will be interested to see if they review this record and pursue it. I think there is plenty wrong with the whole outfit that we have heard about. I am going to refer this record for conflict of testimony to the Justice Department.

I am getting pretty tired of this committee being imposed on by assorted lying. It is an imposition upon the Government. It is an imposition upon every taxpayer of this country.

I want to urge the Justice Department to redouble its vigilance and see if we cannot get a little bit of cooperation as American citizens in the job this committee is trying to do.

Senator CURTIS?

Senator CURTIS. May I ask you this question: Have you been here in the hearing room all afternoon.

Mr. W. DeKONING. Yes sir, I have.

Senator CURTIS. You have heard the testimony about you permitting and tolerating and acquiescing in violence, committed with enemies. Is that true?

Mr. W. DeKONING. No, sir, I never have.

Senator CURTIS. You never have. This testimony in reference to the old gentleman from a Virginia local being kicked in the stomach, did that occur?

Mr. ADLERMAN. That happened at a different time.

Senator CURTIS. He was not present?

Mr. W. DEKONING. I was present there, but, of course, I seen it differently than somebody else seen it.

Senator CURTIS. Were you presiding?

Mr. W. DEKONING. No, sir, I wasn't. I was in the back of the room.

Senator CURTIS. You saw it happen?

Mr. W. DEKONING. Yes, sir.

Senator CURTIS. Was the man kicked?

Mr. W. DEKONING. I would say "No."

Senator CURTIS. What happened?

Mr. W. DEKONING. I would say that the armrest of the chair was kicked.

Senator CURTIS. In other words, the kicker missed?

Mr. W. DEKONING. He missed, yes, sir. That is, if he intended to kick him, yes.

Senator CURTIS. What did you do about it?

Mr. W. DEKONING. What did I do about it?

Senator CURTIS. Yes.

Mr. W. DEKONING. I got up out of my seat to go to assist it.

Senator CURTIS. To assist who?

Mr. W. DEKONING. The fellow that was in the chair. He got up and moved to another chair. There was quite a few of us that went to assist him.

Senator CURTIS. He was not kicked at all?

Mr. W. DEKONING. Not from where I sat. I couldn't see that close that he was kicked in the stomach.

The CHAIRMAN. Did he say he was kicked? Did you hear him say he was kicked?

Mr. W. DEKONING. No, I never heard him say he was kicked.

The CHAIRMAN. Was he in pain?

Mr. W. DEKONING. No, sir. He got up and went and sat in another chair.

The CHAIRMAN. He got scared? He got too close to it?

Mr. W. DEKONING. I couldn't tell you that, whether he was or not.

Senator CURTIS. Do you expect to go ahead with these charges against Mr. Wilkens and Mr. Skura?

Mr. W. DEKONING. It is not mine to say, Senator. Those charges have been brought by a member of the union.

Senator CURTIS. What is going to be your position as president?

Mr. W. DEKONING. I would have to hear the evidence.

Senator CURTIS. You heard it this afternoon, what was presented here, did you not?

Mr. W. DEKONING. I heard some evidence this afternoon; yes, sir.

Senator CURTIS. Are you going to proceed with it tonight?

Mr. W. DEKONING. No, sir.

Senator CURTIS. But you expect to proceed with it and take the evidence, do you?

Mr. W. DEKONING. Well, after hearing what I did here this afternoon, I am going to call a couple of fellows in to the office and ask them how much they did see, or what the situation was.

Senator CURTIS. You heard them testify today under oath, did you not?

Mr. W. DEKONING. Yes, sir; I did.

Senator CURTIS. And you heard the conflict of testimony between the man who brought the accusation and Mr. Skura?

Mr. W. DEKONING. Well, of course, there is always a doubt of identity.

Senator CURTIS. You heard it, did you not?

Mr. W. DEKONING. I heard some of it; yes, sir.

Senator CURTIS. And you heard that same witness state that he did not know when Mr. Wilkens arrived, how he arrived, what his mode of transportation was, or how he entered the building, or when?

Mr. W. DEKONING. Mr. Cominsky was not the only man on the picket line, Senator. There were quite a few men.

Senator CURTIS. We asked him to name the witnesses.

Mr. W. DEKONING. I think there were about 10 men on the picket line, sir.

Senator CURTIS. Mr. Chairman, that is all I have.

The CHAIRMAN. Before we recess, I want the following witnesses to stand: Peter Batalias, Lou Wilkens, Garrett Nagle, Charles Skura, John DeKoning, William Wilkens, Edward Cominsky, and you, Mr. William DeKoning.

Gentlemen, you will all remain under recognizance of the committee, under your present supena, to reappear before this committee at any time the committee gives you reasonable notice of the time and place it desires to hear your further testimony.

Do you recognize and accept that?

Mr. W. DEKONING. Is it possible to come back here Monday, Senator? I have additional evidence and transcripts.

The CHAIRMAN. You bring whatever you have Monday. I do not say that we can hear you, but you bring whatever you have, and at the proper time. We will hear you. You will be given a further hearing, if you desire.

Mr. W. DEKONING. I do desire.

The CHAIRMAN. That will be as soon as we can arrange it.

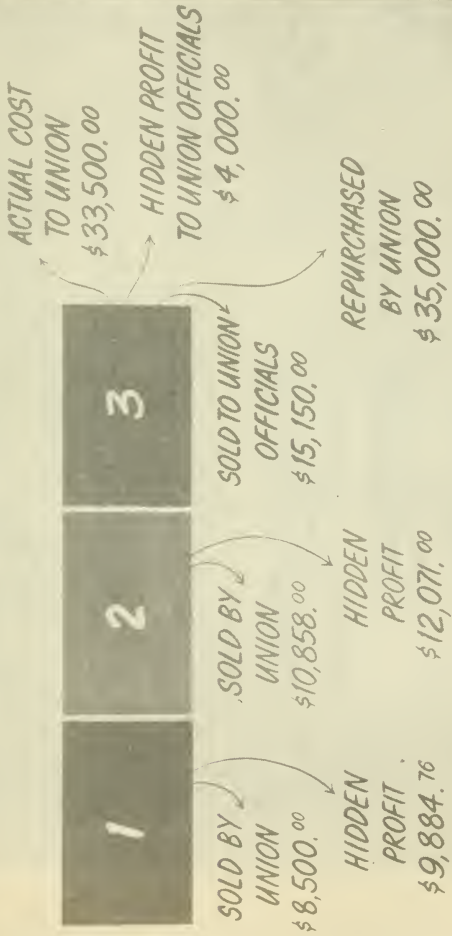
I want to make this announcement, too. This appears to be a pretty bad situation. I want to make this announcement. While you are under recognizance as a witness of this committee, I, in my judgment, believe that the Federal courts have jurisdiction, and any threat or intimidation of violence, coercion, or any act toward a witness who has testified here, any of these witnesses, shall be regarded by me, and I shall ask the committee to regard it, as contempt of the United States Senate, and we shall undertake to proceed accordingly. Is that understood?

All right, with that understanding, the committee stands at recess until 2 o'clock Monday afternoon.

(Whereupon at 5:30 p. m., the committee recessed, to reconvene at 2 p. m., Monday, January 27, 1958.)

(Members present at the taking of the recess were: Senators McClellan and Curtis.)

STOCKTON LAND DEAL



UNION ENDED UP BY PAYING \$1,650 MORE FOR 1/3 OF ORIGINAL PARCEL
 HIDDEN PAYMENT TO UNION OFFICIALS.....\$59,955.76

EXHIBIT No. 2

OPERATING ENGINEERS LOCAL UNION NO. 3

OF THE

INTERNATIONAL UNION OF OPERATING ENGINEERS

474 VALENCIA STREET

SAN FRANCISCO, CALIF. February 15, 1935



PAY TO THE

ORDER OF

RAYMOND STIVERS

\$ 3350.00

REMITTING ENG. 193350 AND 00 CTS

5 DOLLARS

FOR Deposit on Real Estate, Stock and

MISSION SAVINGS OFFICE

AMERICAN TRUST COMPANY

SAN FRANCISCO, CALIFORNIA

GENERAL FUND

L. B. Langbecker
E. J. Mathews

Raymond Stivers

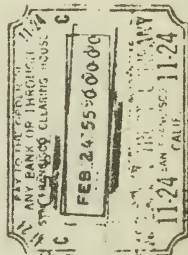


EXHIBIT No. 3



No. **W59459**

OPERATING ENGINEERS LOCAL UNION NO. 3
OF THE
INTERNATIONAL UNION OF OPERATING ENGINEERS

474 VALENCIA STREET

SAN FRANCISCO, CALIF. March 10 1933

PAY TO THE

ORDER OF STOCKTON ABSTRACT AND TITLE COMPANY

\$30,150.00

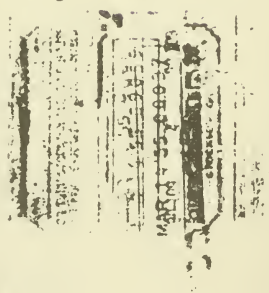
THIRTY THOUSAND ONE HUNDRED FIFTY DOLLARS

FOR Stockton Property, Order No. 81272.

MISSION SAVINGS OFFICE
AMERICAN TRUST COMPANY
SAN FRANCISCO, CALIFORNIA

GENERAL FUND

F. C. Gendeworth
E. & M. Gendeworth



RECEIVED
MAR 10 1933
AMERICAN TRUST COMPANY
SAN FRANCISCO, CALIF.

EXHIBIT No. 4

GROW ACCOUNT

81272

26 SOUTH SAN JOAQUIN STREET

HOWARD 6-5815

Nº 14406

MAR 21 1955

STOCKTON, CALIFORNIA

195

PAY TO THE
ORDER OF

ED DORAN

11

\$ 4000.00

STOCKTON, CALIF. \$4000 and 00/100 CTS

UNION SAFE DEPOSIT BANK

COMMERCIAL SAVINGS AND TRUST
367 EAST MAIN STREET
STOCKTON, CALIFORNIA90-108
1211

STOCKTON ABSTRACT AND TITLE COMPANY

BY

Raymond J. "Chap"

BY

*Virginia Colombe*MAR 22 1955
Ed Doran

EXHIBIT No. 5

Sturgeson Albert and Telfs Company

Borrow Account

226 SOUTH SAN JOAQUIN STREET HOWARD 6-6815

No. 32890

HOWARD 6-6815

7572

STUCKTON, CALIFORNIA

195

PAY TO THE
ORDER OF

ED DORAN "

9834.75

STOCKTON SAVINGS AND LOAN BANK

COMMERCIAL - SAVINGS - TRUST
MAIR AND SAN JOAQUIN STREETS
STOCKTON, CALIFORNIA

FD-103

1211

STOCKTON ABSTRACT AND TITLE COMPANY

By Weyman & Co. Japan

Chickadee L. L. L.

Ed. Moran

MAY TO THE ORDER OF
 ANY BANK &
 FOR DEPOSIT ONLY UNREMITTED
 JAN 15 '56
 PACIFIC AVENUE OFFICE
 AMERICAN TRUST COMPANY
 STOCKTON
 CALIFORNIA 95212

Stockton Abstract and Title Company

MEMORANDUM ACCOUNT

14 SOUTH VAN JOAGUIN STREET

STOCKTON, CALIF. 95201

No. 32889

JAN 3 1956

82414

STOCKTON, CALIF. 95201

OPERATING ENGINEERS LOCAL NO. 3 OF THE
INTERNATIONAL UNION OF OPERATING ENGINEERS

PAY TO THE
ORDER OF

\$ 2500.00

STOCKTON, CALIF. 95201

STOCKTON SAVINGS AND LOAN BANK

CORPORATE OFFICE
MAIN AND VAN JOAGUIN STREETS
STOCKTON, CALIFORNIA

STOCKTON ABSTRACT AND TITLE COMPANY

BY

Handwritten signature: Raymond A. [unclear]

BY

Handwritten signature: [unclear]

FOR DEPOSIT ONLY
TO THE ORDER OF
STOCKTON ABSTRACT AND TITLE COMPANY

STOCKTON, CALIF. 95201
JAN 3 1956
P. L. Vandewerk, Treasurer

PAY TO THE ORDER OF
ANY BANK OR THROUGH
SAN FRANCISCO CLEARING HOUSE

JAN 9 56 90134

AMERICAN TRUST COMPANY
11-24 SAN FRANCISCO 11-24
CALIF.

PAY TO THE ORDER OF
ANY BANK OR THROUGH
STOCKTON, CALIF. 95201
PRIOR TO JAN 9 1956
AMERICAN TRUST COMPANY
90-105 STOCKTON, CALIF. 95201

EXHIBIT No. 7

SELLER'S
ESCROW INSTRUCTIONS

All Inquiries Refer to

Escrow No. 82111

Stockton, California, December 13, 1955

Stockton Abstract and Title Company

36 SOUTH SAN JOAQUIN STREET

We will hand you Deed
 executed by Raymond Stivers and Dorine Stivers
 to Orval N. Schroebeel and Betty Schroebeel and Donald W. Powell and Mary F. Powell
 covering the following described property:

Ptn of Sec 13 C. T. Weber Grant (See Case in File)

which you are authorized to deliver to Escrow or their representatives
 upon payment to you within 30 days from date hereof for my account, the sum of \$20,000.00 cash

(disbursement to be made on ~~XXXXXX~~ January 4, 1956 as per
 instructions of operating engineers and J. J. Moran)

From said sum you are to pay and deduct the following:

Pay commission to	of \$
Recording fees for	<u>NO EXPENSE TO ME</u>
Conveyancing of	\$
Municipal and/or Irrigation District Report	\$
Policy of Title Insurance Fee	\$
Revenue Stamp	\$
Escrow Fee	\$
Pay all encumbrances against said property including	\$

your check for balance.

In the event that the conditions of this escrow have not been complied with at the expiration of the time provided for herein, you are instructed to complete the same at the earliest possible date thereafter, unless I shall have made written demand upon you for the return of all instruments deposited by me.

SIGNATURE

ADDRESS

PHONE

We hereby acknowledge receipt of

to be used in accordance with above instructions.

STOCKTON ABSTRACT AND TITLE CO.

FORM SA 92 SH 6 15 7700

By

EXHIBIT No. 8

Stockton Abstract and Title Company

ESCROW ACCOUNT

24 SOUTH SAN JOAQUIN STREET

HOMER 6-6B15

No 7199

83073

JUL 11 1955

1955

STOCKTON, CALIFORNIA

OPERATING ENGINEERS LOCAL NO. 19 OF

INTERNATIONAL UNION OF OPERATING ENGINEERS ***

STOCKTON, CALIFORNIA

STOCKTON, CALIFORNIA

STOCKTON, CALIFORNIA

\$ 10,858.00

STOCKTON ABSTRACT AND TITLE COMPANY

PACIFIC AVENUE OFFICE

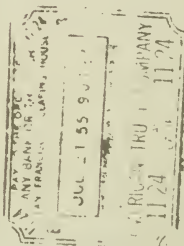
AMERICAN TRUST COMPANY 20-1429

1211

1906 PACIFIC AVENUE
STOCKTON, CALIFORNIA

BY

BY

BY *Raymond J. Dupper*
BY *John A. Rensley*

FOR DEPOSIT ONLY
 PAY TO THE ORDER OF
AMERICAN TRUST COMPANY
 SAN FRANCISCO
 Operating Engineers Local Union No. 3
 P. E. Vandewerk, Treasurer

EXHIBIT No. 9

Stockton Abstract and Title Company

26 SOUTH SAN JOAQUIN STREET
HOWARD 6-6815

ACCOUNT

No 7198

83073

JUL 11 1955

STOCKTON, CALIFORNIA

195

PAY TO THE
ORDER OF

100.00

121 121 121

\$ 12,071.00



PACIFIC AVENUE OFFICE
AMERICAN TRUST COMPANY
1806 PACIFIC AVENUE
STOCKTON CALIFORNIA

STOCKTON ABSTRACT AND TITLE COMPANY

By *Edward J. Horan*
By *Victor S. Larsson*

Ed. Horan
Victor S. Larsson



1945: 131

All Inquiries Refer to

Escrow No. 3673

Stockton, California.

July 1945

195

36 SOUTH SAN JUAN STREET

I, _____ hand you Deed
executed by _____ DORINE
to _____
covering the following described property:

1. The first section of the report is the title page, which includes the title, author, and date.

which you are authorized to deliver to or representatives upon payment to you within 30 days from date hereof for my account, the sum of \$ 100.00

No. 250

From said sum you are to pay and deduct the following

Pay commission to Jack Lane	of \$ 12.00
Recording fees	\$
Conveyancing	\$
Municipal and/or Irrigation District Report	\$
Policy of Title Insurance Fee	\$
Revenue Stamp	\$
Escrow Fee	\$

Pay all encumbrances against said property including

[illegible]

your check for balance 10000 10000

In the event that the conditions of this escrow have not been complied with at the expiration of the time provided for herein, you are instructed to complete the same at the earliest possible date thereafter, unless I shall have made written demand upon you for the return of all instruments deposited by me.

SIGNATURE *W. J. L. L.* ADDRESS

PHONE

We hereby acknowledge receipt of

to be used in accordance with above instructions.

STOCKTON ABSTRACT AND TITLE CO.

By

EXHIBIT No. 11

(7)

1837-1866

5565

FEB 14 1956
Grant Deed

8551

OPERATING ENGINEERS LOCAL UNION NO. 3 OF THE INTERNATIONAL UNION OF OPERATING ENGINEERS

A corporation organized under the laws of the State of California

heretofore Grant to

V. S. SWANSON AND ED DORAN

the real property situated in the City of Stockton

San Joaquin

State of California

A portion of Section eighteen (18) of Q. M. WEBER'S GRANT, more particularly described as follows:
Commencing at a point bearing South 16°55' East 209.50 feet from the Southeast corner of Oak Park Court Subdivision, filed for record November 18, 1941, in Vol. 11 of Maps and Plats, page 74; thence South 73°05' West along a line 92 feet South of and parallel to the South property line of the Alpine Mill and Lumber Company, as described in Deed recorded September 26, 1947, in Vol. 1062 of Official Records, page 397, a distance of 190 feet to the Northeast corner of parcel 2 of the land described in Deed to Karl Roas Post No. 16 American Legion, recorded September 28, 1948 in Vol. 1146 of Official Records, page 337, San Joaquin County Records; thence South 17°58'10" East along the East line of parcel 2, of said American Legion land, a distance of 350 feet to the Northeast corner of the land described in Deed to Operating Engineers, etc., recorded March 15, 1955 in Vol. 1728 of Official Records, page 53, San Joaquin County Records, and the true point of beginning of the herein described tract; thence continue South 17°58'10" East along the East line of said land recorded in Vol. 1728 of Official Records, page 53, a distance of 316.79 feet more or less to the Northeast corner of the land described in Deed to Parker W. Belke, et ux, recorded July 11, 1955 in Vol. 1768 of Official Records, page 82; thence South 72°10'30" West along the North line of said Belke land to a point in the East line of California Street; thence North 17°43' West along the East line of said California Street, a distance of 312.10 feet more or less to the Northwest corner of said Operating Engineers land, recorded in Vol. 1728 of Official Records, page 53; thence North 71°24' East, along the North line of said land, a distance of 346.96 feet to the Northeast corner thereof, and the true point of beginning. TOGETHER with an easement for roadway purposes over a strip of land 25 feet in width, the West line of which is described as follows: Beginning at the Northeast corner of the above described land, thence South 17°58'10" East a distance of 805.69 feet to the Southeast corner of the land described in Deed to San Joaquin Medical Arts, recorded January 27, 1950 in Vol. 1832 of Official Records, page 561, San Joaquin County Records, and the termination of said easement.

In Witness Whereof said corporation has caused this instrument to be signed by its duly authorized officers

February 9, 1956

OPERATING ENGINEER'S LOCAL UNION NO. 3 OF THE INTERNATIONAL UNION OF OPERATING ENGINEERS

By *George W. Menzies*
B. *G. W. Menzies*

5565

RECORDING DATA

City of Stockton
On the 9th day of February 1956
George W. Menzies
President
City and County of San Joaquin
State of California

Witness my hand and seal of office this 9th day of February 1956
At Stockton, California
County Recorder
San Joaquin County

I certify this photocopy to be a true copy of the record in this office
County Recorder
San Joaquin County
By *Martha H. Oehler*
Deputy
Date Jan 17 1957

RECORDED BY
Stockton Abstract & Title
FEB 14 1956 10:10 AM
in 1837 PAGE 186
OFFICIAL RECORDS
OF SAN JOAQUIN COUNTY
Martha H. Oehler
County Recorder
Fees \$ 9.00

George W. Menzies

Expires September 12, 1957
Ed Doran
55 E Weber Ave
Stockton
855

Stockton Abstract and Title Company

26 COLT SAN JOAQUIN STREET STOCKTON, CALIFORNIA HOWARD 6-6815

UNKNOWN ACCOUNT

No 33170

85517

FEB 9 1956

195

PAY TO THE
ORDER OF

STOCKTON, CALIFORNIA

OPERATING ENGINEERS LOCAL UNION NO. 3 11 \$ 15,150.00

STOCKTON @ \$15150 and 00 cts

STOCKTON ABSTRACT AND TITLE COMPANY

STOCKTON SAVINGS AND LOAN BANK

COMMERCIAL BANKING TRUST
BANK AND SAN JOAQUIN STREETS
STOCKTON, CALIFORNIA

90-103
1211

2

Signature of J. J. [illegible]
for J. J. [illegible]

PAID TO ORDER
FEB 9 1956
TEC 110

EXHIBIT No. 13

OPERATING ENGINEERS LOCAL UNION NO. 3 ~~# 87896~~
 11-184
 1210



87896
 NO. W66988

OF THE
 INTERNATIONAL UNION OF OPERATING ENGINEERS
 473 VALENCIA STREET

SAN FRANCISCO, CALIF

August 4, 1956

PAY TO THE
 ORDER OF

STOCKTON ABSTRACT AND TITLE COMPANY

\$ 35,000.00

OPERATING ENG.
 LOCAL UNION NO. 3 **\$35000.00** CTS

3 DOLLARS

FOR Stockton Real Estate

MISSION SAVINGS OFFICE
 AMERICAN TRUST COMPANY
 SAN FRANCISCO, CALIFORNIA

GENERAL FUND
 J. J. Vandenberg
 E. J. Waters

COUNTING ISSUED

EXHIBIT No. 14A

STOCKTON SAVINGS AND LOAN BANK

STOCKTON SAVINGS AND LOAN BANK

No 34322

26 SOUTH SAN JOAQUIN STREET

STOCKTON, CALIFORNIA

8796

AUG 8 1956

1956

PAID TO THE
ORDER OF

ED DORAN AND ALMA DORAN CO

\$ 17,000.00

STOCKTON @ 17000000cts
ABST. & TITLE

STOCKTON SAVINGS AND LOAN BANK

COMMERCIAL - SAVINGS - TRUST
BANK AND SAN JOAQUIN STREET
STOCKTON, CALIFORNIA20-102
1211

STOCKTON ABSTRACT AND TITLE COMPANY

BY *Edward J. Coughlin*BY *Edward J. Coughlin**Ed Doran*
Alma Doran

EXHIBIT No. 15

date 4/20/52

3

Clancy
please check
Idoris
checking my offer
Clancy

San Francisco, California
 May 20, 1952

Mr. Eugene J. Riordan
 Supervisor of Property
 Room 105, City Hall
 San Francisco, California

Dear Mr. Riordan:

Approximately three weeks ago I submitted an offer on
 House City-Jones real estate at San Bruno which consists of 14.6
 acres.

I would appreciate your advising me the time and place
 of the sale of said real estate.

Very truly yours,

Pat Clancy
 257 Second Street
 San Francisco, California

PC:am
 Registered Mail
 Return Receipt Requested

5-26-52 Mac of PUC says Mr. Clancy

probably made offer to Commissioner
 Swanson. PUC has adopted resolution
 approving sale. Matter referred to Del
 Thomson to direct execution of agreement.

5-26-52
 Registered mail
 date to be added.
 check my offer
 date on receipt etc

EXHIBIT No. 16

June 4, 1952

Mr. Pat Clancy,
257 Desmond Street
San Francisco, California.

WATER DEPARTMENT LAND
So. S. F., S. M. Co., Parcel 26

Dear Sir:

With reference to your letter of May 20, 1952, this office has not received your offer as indicated in your letter.

For your information, you are advised that the parcel you refer to is now being processed by the Public Utilities Commission for sale. When and if the date of sale is set, I will see that you receive a notice of the time and place that bids will be received.

Very truly yours,

EUGENE J. RIORDAN
Director of Property.

EJR/rg

cc: Public Utilities Commission
Attention: Mr. J. E. Turner.

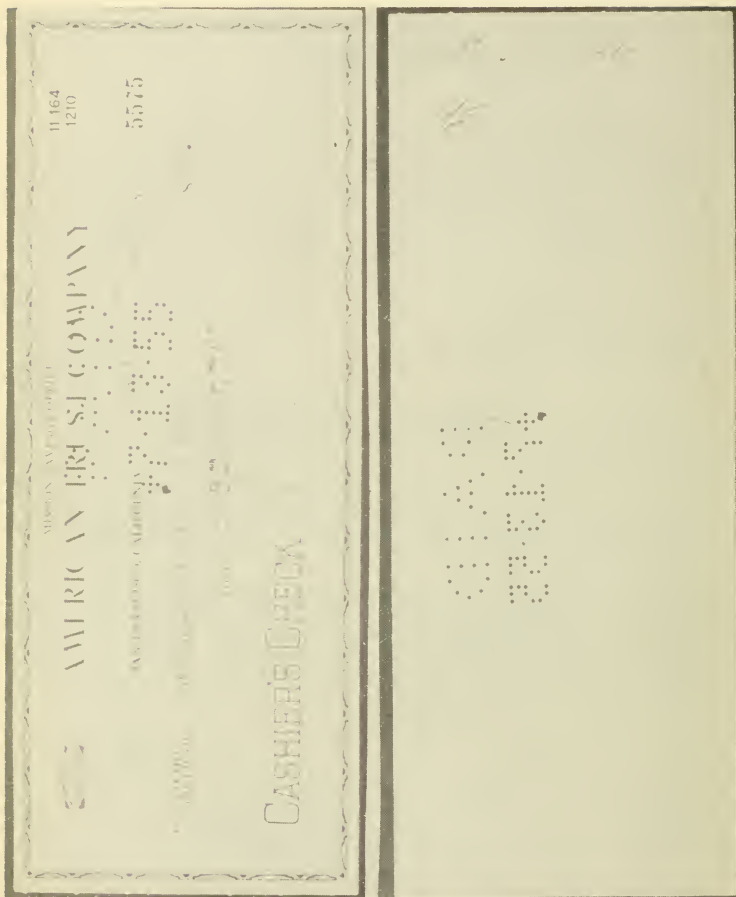


EXHIBIT No. 20

OPERATING ENGINEERS LOCAL UNION No. 3

OF THE
INTERNATIONAL UNION OF OPERATING ENGINEERSJULY 30 1947
SAN FRANCISCO, CALIF.

10,000.00



No. W24455

TREASURER
PAY TO

CASH

FOR Stalke Inc., Oakland Building

AUTHORIZED BY

Walter W. W. W.
PRESIDENT
E. H. W. W.
SECRETARY

10,000.00
Cash
Oakland Bldg
Stalke Inc;

Operating Engineers Local Union No. 3
of the
International Union of Operating Engineers
474 VALENCIA STREET
SAN FRANCISCO, CALIFORNIA



ORDER OF PAY CLANCEY

\$ 2,000.00

AMERICAN TRUST COMPANY

MISSION SAVINGS OFFICE

AMERICAN TRUST COMPANY

SAN FRANCISCO, CALIFORNIA

DOLLARS

PER FUND

J. S. Gannon
W. B. Gannon
C. E. Gannon

325

NO

11-184
12:0

July 6 1926

Atty. Clancey
with Union operating
engineers from 513
San Francisco

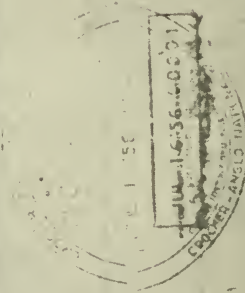


EXHIBIT No. 22A

Operating Engineers Local Union No. 3
of the
International Union of Operating Engineers
174 VALENCIA STREET
SAN FRANCISCO, CALIFORNIA



326

11-164
1210

JULY 6 1956

PAY TO THE
ORDER OF PAT CLANCY

\$2,000.00

OPERATING ENG.
LOCAL UNION NO. 3 \$2000

DOLLARS

MISSION SAVINGS OFFICE

AMERICAN TRUST COMPANY

SAN FRANCISCO, CALIFORNIA

DEFENSE FUND.

W. S. Swanson
Pat. Clancy

Pat. Clancy
Ed Walsh

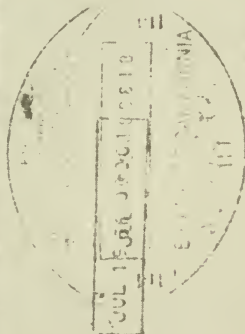


EXHIBIT No. 23

EXECUTIVE BOARD MINUTES

Local Union No. 3

474 Valencia Street
San Francisco, California

July 3, 1956

* * *

There being no further business to come before the meeting, it adjourned at
9:30 p.m.

Respectfully submitted

C. F. Mathews
Recording Secretary

From the Reno Office recommending refund of \$6.00 paid on deposit of transfer by John D. Mathews since he has returned to his home in Arizona. Regularly moved and seconded to refund \$6.00 paid on deposit of transfer to John D. Mathews. Carried.

From Brother Fred E. Stratton who is attending school during the summer session. Regularly moved and seconded to permit Brother Stratton to pay dues at the rate of \$2.00 per month while he is attending school. Carried.

From the San Rafael Office recommending \$30.00 paid on application by Gerald V. Jones be refunded. Regularly moved and seconded to refund \$30.00 paid on application by Gerald V. Jones. Carried.

From the Sacramento Office recommending Brother Jim Walker be allowed to pay dues at the rate of \$2.00 per month while attending school, and that the overpayment of first quarter be applied to his second quarter's dues. Regularly moved and seconded to concur in the recommendation of the Sacramento Office. Carried.

From Brother Elcombe recommending refund of \$35.00 paid on application by Thomas B. Jordan. Regularly moved and seconded to refund \$35.00 paid on application by Thomas B. Jordan. Carried.

Regularly moved and seconded to refund \$10.00 paid on application from the Good Standing Fund of Brother J. A. Nickolls. Carried.

A discussion was held regarding the pamphlet and recommendations of the Executive Board for the coming election of International officers. It was regularly moved and seconded that the Executive Board recommend to the Union the support of the candidates mentioned in the pamphlet and that it be submitted to the members through the Engineers News. Carried.

From the East Bay Labor Journal requesting purchase of a \$25.00 advertising space. Regularly moved and seconded to purchase \$25.00 advertising space. Carried.

67 M.

EXHIBIT No. 24

EXECUTIVE BOARD MINUTES

Local Union No. 3

474 Valencia Street
San Francisco, California

July 3, 1956

* * *

There being no further business to come before the meeting, it adjourned at

9:30 p.m.

Respectfully submitted

C. F. Mathews
Recording Secretary

From the Reno Office recommending refund of \$6.00 paid on deposit of transfer by John D. Mathews since he has returned to his home in Arizona. Regularly moved and seconded to refund \$6.00 paid on deposit of transfer to John D. Mathews. Carried.

From Brother Fred E. Stratton who is attending school during the summer session. Regularly moved and seconded to permit Brother Stratton to pay dues at the rate of \$2.00 per month while he is attending school. Carried.

From the San Rafael Office recommending \$20.00 paid on application by Jerald V. Jones be refunded. Regularly moved and seconded to refund \$20.00 paid on application by Jerald V. Jones. Carried.

From the Sacramento Office recommending Brother Jim Walker be allowed to pay dues at the rate of \$2.00 per month while attending school, and that the overpayment of the first quarter be applied to his second quarter's dues. Regularly moved and seconded to concur in the recommendation of the Sacramento Office. Carried.

From Brother Edgecombe recommending refund of \$35.00 paid on application by Thomas D. Jordan. Regularly moved and seconded to refund \$35.00 paid on application by Thomas D. Jordan. Carried.

Regularly moved and seconded to pay \$1.00 fee for withdrawal card from the Good Standing Fund for Brother G. A. Nuckolls. Carried.

A discussion was held regarding the pamphlet and recommendations of the Executive Board for the coming election of International Officers. It was regularly moved and seconded that the Executive Board recommend to the Union the support of the candidates mentioned in the pamphlet and that it be submitted to the members through the Engineers News. Carried.

4
Regularly moved and seconded that \$10,000 be allocated from the defense fund to be used in the International Election and that Brothers Cienzy and Vandewark be directed to call on all of the Locals they can reach in the time left before election, and that they be further directed to offer all the assistance to the Locals in this election. Carried.

From the East Bay Labor Journal requesting purchase of a \$25.00 advertising space. Regularly moved and seconded to purchase \$25.00 advertising space. Carried.

11-164
1210

MISSIN SAVINGS OFFICE

AMERICAN TRUST COMPANY

SAN FRANCISCO, CALIFORNIA

Pat Clancy

AMERICAN TRUST

CASHIER'S CHECK

7081

\$400.00

11-164

Pat. Clancy

0000000000

0000000000

0000000000

EXHIBIT No. 26

Expenses in connection with investigation and work connected with Anti-forces as authorized by the Union. Entertainment, dinners and hotel expenses spent on legislative committees, opposing legislation that had been fostered by groups within this Union. The following was spent:

Los Angeles, January 1955.....	\$ 421.00
Fort Bragg, Eureka & Crescent City, February and March 1955 ..	525.00
Reno, February 1955	373.00
Fresno, March 1955	289.00
Redding, April 1955	431.00
Marysville, May 1955	97.00
Sacramento, May 1955	<u>101.00</u>
Total	\$2,237.00

Spent the above and received reimbursement in total.

W. H. Harvey

EXHIBIT No. 27

EXECUTIVE BOARD MINUTES

Local Union No. 3

474 Valencia Street
San Francisco, California

March 14, 1956

The meeting was called to order at 8:15 p.m., President Clancy presiding.

COMMUNICATIONS

From the Oakland Area Council, Girl Scouts, requesting contribution toward financing their Girl Scout Camp. Received and filed.

From the San Francisco Labor Council regarding financial and moral support for the Optical Technicians, Local 18791, engaged in a lockout and strike against retail optical dealers. Received and filed.

From the Disabled American Veterans requesting purchase of four tickets to their Memorial Day Show. Regularly moved and seconded to purchase tickets in the amount of \$10.00. Carried.

From the San Francisco Guild for Crippled Children, Inc., requesting purchase of Easter Seals. Regularly moved and seconded to purchase Seals in the amount of \$2.00. Carried.

From Brother Clinton R. Wilson, suspended member, regarding reinstatement. Regularly moved and seconded Brother Wilson must pay full reinstatement fees. Carried.

From Brother Edgcombe recommending \$50.00 paid on application by Earl Salsman be refunded to him since he rightfully belongs to the Laborers Union. Regularly moved and seconded to concur in recommendation of Brother Edgcombe. Carried.

From Brother Bearne recommending Brother H. K. Foster be permitted to pay dues at \$2.00 per month since he is a flood victim in Pepperwood. Regularly moved and seconded to permit Brother Foster to pay dues at \$2.00 per month for the first quarter. Carried.

Doctor's certificate from Brother R. R. Porth, who has never had any dues from the Good Standing Fund and who will not be able to return to work. Regularly moved and seconded to grant Brother Porth a withdrawal card and to refund money paid in advance for his dues. Carried.

a 7 m.

From Brother Van Winkle recommending Brother Jack C. Rice be allowed to pay dues for the first quarter at \$12.00 per month since he is a flood victim. Regularly moved and seconded to concur in recommendation of Brother Van Winkle. Carried.

From Brother Lawrence recommending Brother Ivan Hausser be allowed to pay dues at the rate of \$2.00 per month since he is now attending school, after depositing his service withdrawal card. Regularly moved and seconded to concur in recommendation of Brother Lawrence. Carried.

From Brother Barr recommending Brother R. E. Dearing be allowed additional dues from the Good Standing Fund and issued a withdrawal card. Regularly moved and seconded to concur in recommendation of Brother Barr. Carried.

Regularly moved and seconded that Brother Martin R. Cooper be reinstated at cost to the Union. It is noted he has two receipts - one for \$30.00 and one for \$26.00. Carried. (money to be reapplied and member billed for balance)

Regularly moved and seconded that new members and transfers be accepted as of April 7, 1936. Carried.

In regard to the Plan for Development Corporation for "Middle Income" Cooperative Apts in San Francisco, the Secretary was instructed to get all the data he can covering any similar plans in other cities and such other data as he can procure regarding this matter and report back at a later date.

It was regularly moved and seconded the Executive Officers be instructed to send copies of those resolutions to be acted upon at the next Convention that are of interest to Local No. 3 to all delegates to the Convention. Carried.

There being no further business to come before the meeting it adjourned at 9:30 p.m.

Respectfully submitted

C. F. Mathews
Recording Secretary

From Brother Boran recommending \$47.50 paid on application by Alfred J. Rodgers be refunded. Regularly moved and seconded to concur in recommendation of Brother Boran. Carried.

E. F. M.

EXHIBIT No. 28

EXECUTIVE BOARD MINUTES

Local Union No. 3

474 Valencia Street
San Francisco, California

March 14, 1936

The meeting was called to order at 8:15 p.m., President Cienchy presiding.

COMMUNICATIONS

From the Oakland Area Council, Girl Scouts, requesting contribution toward financing their Girl Scout Camp. Received and filed.

From the San Francisco Labor Council regarding financial and moral support for the Optical Technicians, Local 18791, engaged in a lockout and strike against retail optical dealers. Received and filed.

From the Disabled American Veterans requesting purchase of four tickets to their Memorial Day Show. Regularly moved and seconded to purchase tickets in the amount of \$10.00. Carried.

From the San Francisco Guild for Crippled Children, Inc., requesting purchase of Easter Seals. Regularly moved and seconded to purchase Seals in the amount of \$2.00. Carried.

From brother Clinton R. Wilson, suspended member, regarding reinstatement. Regularly moved and seconded Brother Wilson must pay full reinstatement fees. Carried.

From Brother Edgecombe recommending \$50.00 paid on application by Earl Salaman be refunded to him since he rightfully belongs to the Laborers Union. Regularly moved and seconded to concur in recommendation of Brother Edgecombe. Carried.

From Brother Hearne recommending Brother M. K. Foster be permitted to pay dues at \$2.00 per month since he is a flood victim in Pepperwood. Regularly moved and seconded to permit Brother Foster to pay dues at \$2.00 per month for the first quarter. Carried.

Dexter's certificate from Brother R. R. Porth, who has never had any dues from the Good Standing Fund and who will not be able to return to work. Regularly moved and seconded to grant Brother Porth a withdrawal card and to refund money paid in advance for his dues. Carried.

From Brother Van Winkle recommending Brother Jack C. Rice be allowed to pay dues for the first quarter at \$1.00 per month since he is a flood victim. Regularly moved and seconded to concur in recommendation of Brother Van Winkle. Carried.

From Brother Lawrence recommending Brother Ivan Seusser be allowed to pay dues at the rate of \$2.00 per month since he is now attending school, after depositing his service withdrawal card. Regularly moved and seconded to concur in recommendation of Brother Lawrence. Carried.

From Brother Barr recommending Brother B. E. Mayling be allowed additional dues from the Good Standing Fund and issued a withdrawal card. Regularly moved and seconded to concur in recommendation of Brother Barr. Carried.

Regularly moved and seconded that Brother Merlin R. Cooper be reinstated at cost to the union. It is noted he has two receipts - one for \$30.00 and one for \$24.00. Carried. (money to be reapplied and member billed for balance)

Regularly moved and seconded that new members and transfers be accepted as of April 7, 1956. Carried.

In regard to the Plan for Development Corporation for "Middle Income" Cooperative Apts. in San Francisco, the Secretary was instructed to get all the data he can covering any similar plans in other cities and such other data as he can procure regarding this matter and report back at a later date.

It was regularly moved and seconded the Executive Officers be instructed to take care of all the legal, actuarial, printing and other expenses incurred in connection with the proposed pension plan from the defense fund. Carried.

It was regularly moved and seconded the Executive Officers be instructed to send copies of those resolutions to be acted upon at the next Convention that are of interest to Local No. 3 to all delegates to the Convention. Carried.

There being no further business to come before the meeting it adjourned at 9:30 p

Respectfully submitted

C. F. Mathews
Recording Secretary

From Brother Doran recommending \$47.50 paid on application by Alfred J. Rogers be refunded. Regularly moved and seconded to concur in recommendation of Brother Doran. Carried.

EXHIBIT No. 37



No. W53260		<p>OPERATING ENGINEERS LOCAL UNION NO. 3 OF THE INTERNATIONAL UNION OF OPERATING ENGINEERS 474 VALENCIA STREET SAN FRANCISCO, CALIF.</p>	19
TREASURER PAY TO	THUR. ELLIS HOTEL	2,400.00	
FOR	Hotel Expense	AUTHORIZED BY	

EXHIBIT No. 38

OPERATING ENGINEERS LOCAL UNION No. 3
OF THE
INTERNATIONAL UNION OF OPERATING ENGINEERS

474 VALENCIA STREET

SAN FRANCISCO, CALIF.. December 23, 1950

THE THUNDERBOLT

303-20



#53428

ENCLOSURE
PAY TO

FOR Local Expenses

AUTHORIZED BY

Pat H. Blinn
E. J. Matthews

EXHIBIT No. 39

OPERATING ENGINEERS LOCAL UNION NO. 3
OF THE
INTERNATIONAL UNION OF OPERATING ENGINEERS
474 VALERIA STREET
SAN FRANCISCO, CALIF.

11-11 1310

12/12/35

500000

PAY TO THE ORDER OF

Cash

Two thousand four hundred and no DOLLARS

GENERAL FUND

R. G. Vandenberg
B. H. Nathan

MISSION SAVINGS OFFICE
AMERICAN TRUST COMPANY
SAN FRANCISCO, CALIFORNIA

THE R. LAWSON

PAY TO THE ORDER OF
First National Bank of Nevada
LAS VEGAS BRANCH No. 17
BONANZA HOTEL CO. IN
EXCH. OF ACCOUNT

ANY PAYEE WHO RECEIVES THIS CHECK MUST SIGN IT IN THE SPACE PROVIDED FOR THAT PURPOSE

DEC 17 1935

FIRST NATIONAL BANK OF NEVADA
LAS VEGAS, NEVADA

OPERATING ENGINEERS LOCAL UNION NO. 3
OF THE
INTERNATIONAL UNION OF OPERATING ENGINEERS
VALERCA STREET



No. 152605

SAN FRANCISCO, CALIF., November 3, 1953

PAID TO THE
ORDER OF

THUNDERBIRD LTD. HOTEL

\$ 200.00

AMERICAN TRUST COMPANY
SAN FRANCISCO, CALIF.

DOLLARS

GENERAL FUND

AMERICAN TRUST COMPANY
SAN FRANCISCO, CALIFORNIA

1st Class Registered
E. T. Matthews

PAY TO THE ORDER OF
First National Bank of Nevada
LAS VEGAS BRANCH No. 12
FOR DEPOSIT ONLY
THUNDERBIRD HOTEL CO.

NOV 18 53 00

EXHIBIT No. 41

No. **53428**
 OPERATING ENGINEERS LOCAL UNION No. 3
 OF THE
 INTERNATIONAL UNION OF OPERATING ENGINEERS
 474 VALENCIA STREET
 SAN FRANCISCO, CALIF., December 22, 1953

THE THUNDERBIRD
 \$ 203.80
 DOLLARS

FOR Hotel Expenses
 GENERAL FUND
 MISSION SAVINGS OFFICE
 AMERICAN TRUST COMPANY
 SAN FRANCISCO, CALIFORNIA

RECEIVED ONE
 \$ 203.80

P. L. [Signature]
 S. H. [Signature]

PAY TO THE ORDER OF
 First National Bank of Nevada
 LAS VEGAS BRANCH No. 12
 FOR DEPOSIT ONLY
 THUNDERBIRD HOTEL CO.



Operating Engineers Local Union No. 3

International Union of Operating Engineers

474 VALENCIA STREET

SAN FRANCISCO, CALIFORNIA

JULY 6 1956

PAY TO THE
ORDER OF

P. E. VANDEWARK

~~AMERICAN TRUST COMPANY~~
~~474 VALENCIA STREET~~
~~SAN FRANCISCO, CALIF.~~

MISSION SAVINGS OFFICE

AMERICAN TRUST COMPANY

SAN FRANCISCO, CALIFORNIA

DEFENSE FUND

P. E. Vandewark
for the defense fund

\$ 2,000.00

DOLLARS

327

4-264
1210

JUL 13 1956

P. E. Vandewark

EXHIBIT No. 43

328

11-164
1210

July 6 1956

\$ 2,000.00

DOLLARS

DEFENSE FUND

AMERICAN TRUST COMPANY

MISSION SAN FRANCISCO

SAN FRANCISCO, CALIF.

PAY TO THE ORDER OF F. E. VANCELAUX

OPERATING ENGINEER

INTERNATIONAL

11-164
1210

July 6 1956

\$ 2,000.00

DOLLARS

DEFENSE FUND

AMERICAN TRUST COMPANY

MISSION SAN FRANCISCO


SAN FRANCISCO, CALIF.

PAY TO THE ORDER OF F. E. VANCELAUX

OPERATING ENGINEER

INTERNATIONAL

P. E. Vandewerk

	Operating Engineers Local Union No. 3 of the International Union of Operating Engineers 474 VALENCIA STREET SAN FRANCISCO, CALIFORNIA		NO 329	11-164 1210
	PAY TO THE ORDER OF P. E. VANDEMARK		July 6 1956	\$ 2,000.00
MISSION SAVINGS OFFICE AMERICAN TRUST COMPANY SAN FRANCISCO, CALIFORNIA		DEFENSE FUND <i>P. E. Vandemark</i> <i>E. J. Mathews</i>	DOLLARS	

P. E. Vandemark

EXHIBIT No. 45



Capital City, Georgia, 1915
 In the City of Georgia, in the County of...

1164
 1165

PAY TO THE ORDER OF CASH

10000

AMERICAN TRUST COMPANY

Per Resolution passed 12/1/14

J. E. Sanderson

OPERATING ENGINEERS LOCAL UNION NO. 3

OF THE

INTERNATIONAL UNION OF OPERATING ENGINEERS

474 VALENCIA STREET

SAN FRANCISCO, CALIF.

MAY 24 1968

\$1968.10

DOLLARS

OPERATING ENG. LOCAL UNION NO. 3 \$1968 AND 10 CTS

FOR Exp. resolution 12/14/54

MISSION SAVINGS OFFICE
AMERICAN TRUST COMPANY
SAN FRANCISCO, CALIFORNIA

GENERAL FUND

P. G. Canevarolo

G. F. Mearns

L. Stewart



No. N60380

CASH

PAY TO THE ORDER OF

Robert J. Williams

RECEIVED

EXHIBIT No. 47

Expenses in connection with investigation and work connected with Anti-forces as authorized by the Union. Entertainment, dinners and hotel expenses spent on legislative committees, opposing legislation that had been fostered by groups within this Union. The following was spent at Sacramento:

January, February and April 1955	\$1,381.00
At Salt Lake City for February and March 1955	860.00
At Reno for April and May	<u>522.00</u>
Total	\$2,763.00

Spent the above and received reimbursement in total.

6/13/55

P. E. Chudownik

OPERATING ENGINEERS LOCAL UNION NO. 3
OF THE
INTERNATIONAL UNION OF OPERATING ENGINEERS
474 VALENCIA STREET

SAN FRANCISCO, CALIF March 12 19 36

\$21,000.00

DOLLARS

OPERATING ENG. LOCAL UNION NO. 3 \$21000

FOR 6 Cera.

MISSION SAVINGS OFFICE
AMERICAN TRUST COMPANY
SAN FRANCISCO, CALIFORNIA

GENERAL FUND

P. S. Vandewerk
TREASURER
E. J. McHenry

P. S. Vandewerk



No. W64672

PAY TO THE
ORDER OF CASH

John J. ...

COUNTERSIGNED

EXHIBIT No. 49

11-164
1210

MISSION SAVINGS OFFICE

AMERICAN TRUST COMPANY

SAN FRANCISCO, CALIFORNIA March 12,

No 7008

1956

PAY TO THE
ORDER OF

Ken Garff Co.

AMERICAN
TRUST

\$18459

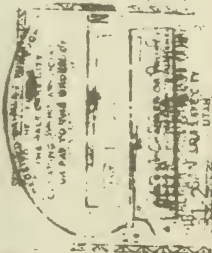
\$ 18,459.00


CASHIER'S CHECK

Ken Garff Co.

AT THE END OF THE SIGNATURE

PAY TO THE ORDER OF
 CASHIER BANK & TRUST CO.
 SALT LAKE CITY, UTAH
 FOR DEPOSIT ONLY
 KEN GARFF CO.



	No. 10208	3/12 1956	RECEIVED OF Circulating Cigarette Deal Eighteen Thousand Five Hundred Fifty Nine DOLLARS	\$10.020	J. Dickhead

184.59 ⁰⁰/₁₀₀

EXHIBIT No. 50

M164
1210MISSION SAVINGS OFFICE
AMERICAN TRUST COMPANY

SAN FRANCISCO, CALIFORNIA JUNE 12, 1935

No 7009

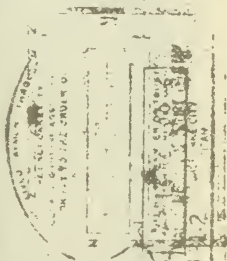
PAY TO THE ORDER OF Ken Garff Co. \$2,477.00


AMERICAN TRUST
\$2477

CASHIER'S CHECK

11 THORPES INCHES 10

PAY TO THE ORDER OF
WALKER BANK & TRUST CO.
SALT LAKE CITY UTAH
FOR DEPOSIT ONLY
KEN GARFF CO.




 RECEIVED OF Operating Engineers Local
 Twenty four hundred twenty seven ⁰⁰/₁₀₀ DOLLARS

No. 10209
 3/13/1956

2477⁰⁰
 1956 (L.H.M.)

2/10 2'20
 713

EXHIBIT No. 51

1957 02 14 57 11 BWK 91
AUTOMOBILE
 VALIDATED
 REGISTRATION CARD

STATE OF CALIFORNIA
 DEPARTMENT OF MOTOR VEHICLES

567M41575
 56 AR 56 130 3912439 \$74.00

OLD6 20HDCP88 8 13
 3912439 \$74.00

VANDEMARK PORTER E
 732 SANCHEZ ST
 SAN FRANCISCO CALIFORNIA

567M41575
 56 AR 56 130 3912439 \$74.00

OLD6 20HDCP88 8 13
 3912439 \$74.00

VANDEMARK PORTER E
 732 SANCHEZ ST
 SAN FRANCISCO CALIFORNIA

DO NOT CARRY IN VEHICLE TA 335699

TA 335699

READ REVERSE SIDE - IMPORTANT INSTRUCTIONS

	<p>OPERATING ENGINEERS LOCAL UNION NO. 3 OF THE INTERNATIONAL UNION OF OPERATING ENGINEERS -- 474 VALENCIA STREET SAN FRANCISCO, CALIF..</p>	<p>March 22 1934</p>
<p>No. 364672</p>	<p>TREASURER PAY TO</p>	<p>CASH</p>
<p>7.00 for Xerox.</p>	<p>AUTHORIZED BY</p>	<p><i>Pat. Library</i> <i>E. + M. Library</i></p>

EXHIBIT No. 53

APR 28 56
RECEIVED
71

EXHIBIT No. 54

NEW YORK LIFE INSURANCE COMPANY
81 MADISON AVENUE
NEW YORK 10, N.Y.

TIERNEY A. GOURRE
ASSISTANT VICE PRESIDENT

August 9, 1957

Mr. P. E. Vandewark
Secretary, Board of Trustees
Operating Engineers Trust Fund
Health and Welfare Plan
476 Valencia Street
San Francisco 3, California

Dear Mr. Vandewark:

The following information is furnished in response to your request of July 24, 1957:

Commissions Paid on G-805 -

<u>Policy Year</u>	<u>C. W. Sweeney</u>	<u>D. A. Cameron</u>
12/1/52 to 1/1/54	\$2,948.42	\$2,948.42
1/1/54 to 1/1/55	871.32	871.33
1/1/55 to 1/1/56	922.44	922.44
1/1/56 to 7/1/57	<u>2,346.50</u>	<u>2,346.50</u>
	\$7,088.68	\$7,088.69

- * Subject to year-end adjustment of commissions. Figures do not include any commissions for the 4/1/57 premium quarter for the UCD coverage (not received as yet). Also does not include 10/1/56 sale which was billed and paid on 6/5/57. Amendment to D. A. Cameron Commission Agreement 7/11/57 has not yet been returned to us.

Commissions Paid on G-1093 -

<u>Policy Year</u>	<u>C. W. Sweeney</u>
4/1/53 to 4/1/54	\$ 7,831.53
4/1/54 to 4/1/55	2,300.94
4/1/55 to 4/1/56	7,056.57
4/1/56 to 4/1/57	<u>13,945.82</u>
	\$31,134.86

C. W. Sweeney is the sole broker of record.

EXHIBIT No. 56

Election of General Officers

JULY, 1956

OFFICIAL TALLY SHEET

*Number One*of Local No. 3City San Francisco State California

Recording-Corresponding Secretaries will report on this sheet the number of votes cast for each candidate, as provided for in Article IV, Sections 3, 4 and 5 of the Constitution.

NUMBER OF VOTES CAST FOR

✓ WM. E. MALONEY, for General President.....	<u>7292</u>
✗ H. O. POSS, for General President.....	<u>7562</u>
WILLIAM M. WELSH, for First General Vice President.....	<u>15634</u>
ANTON J. IMHARN, for Second General Vice President.....	<u>14829</u>
JOHN J. McDONALD, for Third General Vice President.....	<u>15066</u>
JOSEPH J. DELANEY, for Fourth General Vice President.....	<u>14633</u>
✓ FRANK P. CONVERSE, for Fifth General Vice President.....	<u>374</u>
✗ DALE L. BURCHETT, for Fifth General Vice President.....	<u>16472</u>
VICTOR S. SWANSON, for Sixth General Vice President.....	<u>16933</u>
WILLIAM J. STUHR, for Seventh General Vice President.....	<u>15665</u>
JACK McDONALD, for Eighth General Vice President.....	<u>16193</u>
CHARLES PALISKA, for Ninth General Vice President.....	<u>16222</u>
✓ RALPH E. BRONSON, for Tenth General Vice President.....	<u>382</u>
HOWLAND C. BILL, for Tenth General Vice President.....	<u>16214</u>
✗ J. C. TURNER, for Tenth General Vice President.....	<u>16214</u>
CHARLES E. GRADLING, for General Secretary-Treasurer.....	<u>16706</u>
✗ L. E. EGAN, for General Board of Trustees.....	<u>16443</u>
HUNTER P. WHARTON, for General Board of Trustees.....	<u>619</u>
NEWELL J. CARMAN, for General Board of Trustees.....	<u>364</u>
MICHAEL P. CONNORS, for General Board of Trustees.....	<u>578</u>
V. L. KELLEY, for General Board of Trustees.....	<u>453</u>
✗ WM. A. O'CONNELL, for General Board of Trustees.....	<u>14060</u>
✓ RAY W. TUCKER, for General Board of Trustees.....	<u>16669</u>

Membership voted at meeting of Local Union No 3held on 7th dayof July, 1956Recording-Corresponding Secretary, Local No. 3LOCAL UNION
MAILStreet Address 474 Valencia StreetCity and State San Francisco 3, California

This sheet must be returned to the International Union of Operating Engineers, 1003 K Street, N. W., Washington 1, D. C., in the envelope sent each Local for this purpose by the fifteenth of August, 1956, and must be signed by the Recording-Corresponding Secretary for the Local Union forwarding same.

- 2 -

Mr. P. E. Vandewark
Operating Engineers Trust Fund
Health and Welfare Plan

August 9, 1957

Commissions are vested -

- (a) Under G-805, brokers C. W. Sweeney and Donald A. Cameron participate.
- (b) Under G-1093, C. W. Sweeney is sole broker.

Commissions are vested for a 10-year period from the effective date of sale or the termination of the group contract, whichever is earlier.

If I can be of any further assistance, I shall be glad to oblige.

Sincerely,

Assistant Vice President

EXHIBIT No. 56A

INTERNATIONAL UNION OF OPERATING ENGINEERS

Election of General Officers

JULY, 1956

OFFICIAL TALLY SHEET

Number TWO

of Local No. 3

City San Francisco State California

Recording-Corresponding Secretaries will report on this sheet the number of votes cast for each candidate, as provided for in Article IV, Sections 3, 4 and 5 of the Constitution.

NUMBER OF VOTES CAST FOR

WM. E. MALONEY, for General President	2282
H. O. POSS, for General President	11207 x
WILLIAM M. WELSH, for First General Vice President	16378
ANTON J. IMHAHN, for Second General Vice President	16174
JOHN J. McDONALD, for Third General Vice President	16411
JOSEPH J. DELANEY, for Fourth General Vice President	15778
FRANK P. CONVERSE, for Fifth General Vice President	354
DALE L. BIRCHETT, for Fifth General Vice President	17617 1
VICTOR S. SWANSON, for Sixth General Vice President	18278
WILLIAM J. STUHR, for Seventh General Vice President	17010
JACK McDONALD, for Eight General Vice President	17538
CHARLES PALISKA, for Ninth General Vice President	17668
RALPH B. BRONSON, for Tenth General Vice President	387
HOWLAND C. HILL, for Tenth General Vice President	
J. C. TURNER, for Tenth General Vice President	17037
CHARLES B. GRAMLING, for General Secretary-Treasurer	18057
L. E. EGAN, for General Board of Trustees	17778
HUNTER P. WEAHSTON, for General Board of Trustees	614
NEWELL J. CARMAN, for General Board of Trustees	364
MICHAEL P. CONNORS, for General Board of Trustees	574
V. L. KELLEY, for General Board of Trustees	483
WM. A. O'CONNELL, for General Board of Trustees	12405
RAY W. TUCKER, for General Board of Trustees	17414

Membership voted at meeting of Local Union No. 3 held on 7th day of July, 1956

Recording-Corresponding Secretary, Local No. 3
 Street Address 474 Valencia Street
 City and State San Francisco 3, California

This sheet must be returned to the International Union of Operating Engineers, 1003 K Street, N. W., Washington 1, D. C., in the envelope sent each Local for this purpose by the fifteenth of August, 1956, and must be signed by the Recording-Corresponding Secretary for the Local Union forwarding same.



No. 137519

OPERATING ENGINEER STOCK DIV. NO. 3

11-184
1290

INTERNATIONAL UNION OF CREDITORS' UNIONS

412 VALENCIA STREET

SAN FRANCISCO CALIF. November 7 1958

PAY TO THE
ORDER OF

CASH

\$2,500.00

OPERATING ENG. STOCK DIV. NO. 3

DOLLARS

FOR General Organization

MISSION SAVINGS OFFICE
AMERICAN TRUST COMPANY
SAN FRANCISCO, CALIFORNIA

GENERAL FUND
P. O. Henderson
E. F. Henderson

H. K. K.

H. K. K.

SPECIAL ORDER NO. 02-641
 11-58
 1270
 OPERATING ENGINEERS LOCAL UNION NO. 3
 OF THE
 INTERNATIONAL UNION OF OPERATING ENGINEERS
 474 VALENCIA STREET
 SAN FRANCISCO, CALIF. FEBRUARY 23, 1950
 \$200.00
 DOLLARS
 PAY TO THE ORDER OF
 TANFORAN LTD.
 FOR Transportation
 THE HIBERNIA BANK
 MARKET, MCALLISTER AND JONES STS
 SAN FRANCISCO, CALIF.
 GENERAL FUND
 P.E. Lindberg
 E. J. Mathews
 TREASURER
 COUNTERSIGNED

PAY TO THE ORDER OF
 Bank of America 123
 TANFORAN CO. LTD.
 11-58
 1270

No. W34776		OPERATING ENGINEERS LOCAL UNION NO. 3 OF THE INTERNATIONAL UNION OF OPERATING ENGINEERS 474 VALENCIA STREET SAN FRANCISCO CALIF. February 23 1950	TREASURER PAY TO	TANPORAF LTD.	200.00	FOR Transportation	<div>AUTHORIZED BY <i>John J. Barry</i> PRESIDENT <i>E. F. Wadsworth</i> SECRETARY</div>
-------------------	--	---	-----------------------------------	----------------------	---------------	---------------------------	--

EXHIBIT No. 59



OPERATING ENGINEERS LOCAL UNION No. 3
OF THE
INTERNATIONAL UNION OF OPERATING ENGINEERS
474 VALENCIA STREET
SAN FRANCISCO, CALIF.

11-104
1210

August 28, 1951

No. 111561

PAY TO THE
ORDER OF

CASH

\$200.00

DOLLARS

200 AND 00/100

FOR Teno, Limited - Subscriptions

MISSION SAVINGS OFFICE
AMERICAN TRUST COMPANY
SAN FRANCISCO, CALIFORNIA

GENERAL FUND
P. C. Vandewerk
64 Madison
TELEPHONE

S. Swanson



OPERATING ENGINEERS LOCAL UNION NO. 3
OF THE
INTERNATIONAL UNION OF OPERATING ENGINEERS
474 VALENCIA STREET

SAN FRANCISCO, CALIF., August 29, 1951

No. W41561

TREASURER
PAY TO

CASH

200.00

FOR Tampo, Limited - Subscription

AUTHORIZED BY

[Handwritten signature]
PRESIDENT

EXHIBIT No. 60

SPECIAL SAVINGS ACCT

OPERATING ENGINEERS LOCAL UNION NO. 3 NO 02-646

OF THE
INTERNATIONAL UNION OF OPERATING ENGINEERS
1210

SAN FRANCISCO, CALIF JULY 30 1947

\$ 10,000.00

DOLLARS



NO. W24455

PAY TO THE
ORDER OF CASH

TEN THOUSAND 00/100

FOR Stolte Inc., Oakland Building

THE HIBERNIA SAVINGS AND LOAN SOCIETY

(HIBERNIA BANK)

MARKET, MCALLISTER AND JONES STS
SAN FRANCISCO, CALIF

GENERAL FUND

TREASURER

© 1947 HIBERNIA BANK

Operating Engineers Local Union No. 3
U. O. E.

V. S. Simonson
G. F. McCallister
P. C. Vandewar

TEN THOUSAND 00/100

EXHIBIT No. 61



INTERNATIONAL UNION OF OPERATING ENGINEERS

AFFILIATED WITH THE AMERICAN FEDERATION OF LABOR

TELEPHONE NATIONAL 9265
CARPENTERS' BLDG. 1003 K ST. N.W.
WASHINGTON, D. C.

OFFICE OF THE GENERAL PRESIDENT

September 18, 1947.

Mr. C. F. Mathews,
Rec. Sec. Local #3,
Room 404, 1095 Market St.,
San Francisco 3, Calif.

Dear Sir and Brother:

I am in receipt of a communication from our auditor who examines the reports of Local Union #3, in which attention is called to the fact that you bought a launch for \$10,000.

I thought it was distinctly understood by you as representing Local Union #3 that you would communicate with this office to get permission to make expenditures of this kind. As this is a violation of this understanding I wish you would communicate with this office and explain this expenditure.

With kindest regards, I am

Fraternally yours,

Wm. E. Maloney
WM. E. MALONEY
GENERAL PRESIDENT.

VEM:ejl

EXHIBIT No. 63

To the Trustees of Local Union No.3.

The following expenditures made in in compliance with instructions of the membership of Local Union No. 3 to find the source of the letters that have been circulated to members and others which are of defamatory to the Officers of Local Union No.3.

Jan.28.1955

Stockton;Calif.

Dinner and Entertainment	\$ 288.50	
Hotel Stockton	\$ 45.50	
Car repair	\$ 175.15	\$508.95

Sacramento.Calif.

Jan.30.1955

Banquet Hotel Senator	\$397.50	
Car rental	\$ 85.00	
Hotel and meals	\$ 58.00	\$540.50

Fresno. Calif.

Feb.12 and 13.1955

Dinner and Entertainment	\$203.65	
Hall rent	\$ 25.00	
Hotel and meals	\$83.50	\$286.65

March.19 and 20.1955

Salt Lake City.Utah.

Binner and Entertainment	\$ 520.00	
Hotel and meals	\$ 55.75	
Transportation	\$ 83.50	\$659.05

Provo.Utah

Entertainment ad dinner	\$345.00	
Hall rent	\$ 25.00	\$370.00

Redding. Calif.

April.16 and 17. 1955

Dinner and entertainment	\$104.00	
Hotel	\$ 34.85	
Parking	\$ 2.00	
Garage and motor tune-up	\$ 7.50	\$148.25

Total Expenditures

\$2513.45

EXHIBIT No. 64

11 164
1210

MISSION BAYNOR GROUP

AMERICAN TRUST COMPANY

5576

SAN FRANCISCO, CALIFORNIA

5576

CASHIER'S CHECK

As to the order of
Cashier's Director of Interior

Ed. L. L. L.

5576

5576

EXHIBIT No. 65

REGISTER COPY	MISSION SAVINGS OFFICE	11-164 1210
<i>Handwritten signature</i>	AMERICAN TRUST COMPANY	
<i>Handwritten signature</i>	July 13, 1955	5575
PAYEE	PAT CLANCEY	\$ 800.00
	SAN FRANCISCO, CALIFORNIA	
	EXCHANGE	DATE PAID
	JUL 13 1955	
	CASHIER'S CHECK	
	AUTHORIZED SIGNATURE	

EXHIBIT No. 65A

REGISTER COPY		MISSION SAVINGS OFFICE		11-164 1210	
<i>Ed Doran</i>		AMERICAN TRUST COMPANY			
PERMANENT ADDRESS		19 55 NO		5576	
SAN FRANCISCO, CALIFORNIA		JULY 13			
PAYEE		Ed Doran		\$3,950.00	
CASHIER'S CHECK		EXCHANGER		DATE PAID	
		<i>P. Doran</i>			
		TELLER			
		AUTHORIZED SIGNATURE			

11-164
1210

MISSION SAVINGS OFFICE

AMERICAN TRUST COMPANY

POST OFFICE ADDRESS
SAN FRANCISCO, CALIFORNIA

July 13

1955

NO

5577

PAYEE
V. S. Swanson

PAY TO THE ORDER OF
\$5,721.00

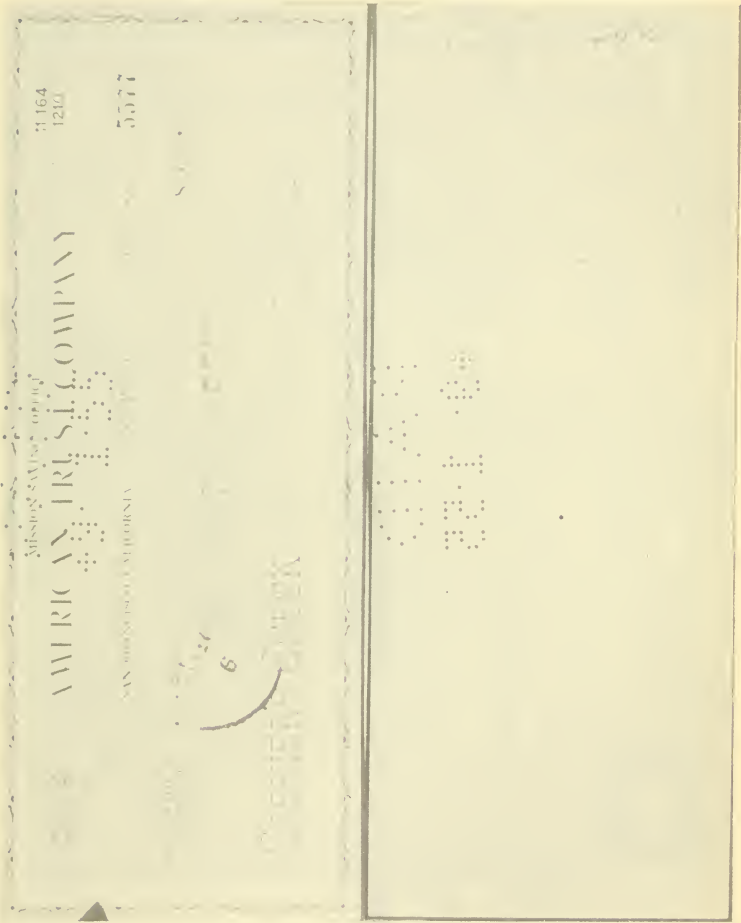
EXCHANGE

PAID

SIGNATURE

CASHIER'S CHECK

EXHIBIT No. 66





Operating Engineers Local Union No. 3
of the
International Union of Operating Engineers
474 VALENCIA STREET
SAN FRANCISCO, CALIFORNIA

October 16 1952

PAY TO THE
ORDER OF CASH

MISSION SAVING OFFICE

AMERICAN TRUST COMPANY
SAN FRANCISCO, CALIFORNIA


---two thousand and 00/100---DOLLARS

Victor E. Swanson
for E. J. McElhannon

\$2000.00

J. Savitt

EXHIBIT No. 68

		Operating Engineers Local Union No. 3 of the International Union of Operating Engineers 474 VALENCIA STREET SAN FRANCISCO, CALIFORNIA		304 NO	11-164 1210
PAY TO THE ORDER OF CASE		October 16 19 32		\$ 2000.00	
MISSION SAVINGS OFFICE AMERICAN TRUST COMPANY SAN FRANCISCO, CALIFORNIA		TWO THOUSAND ONLY			
DEFERRED FUND <i>Walter S. Swanson</i> <i>E. G. Williams</i>		--- DOLLARS			

E. G. Williams

Operating Engineers Local Union No. 3
of the
International Union of Operating Engineers
474 VALENCIA STREET
SAN FRANCISCO, CALIFORNIA

307
11-164
1210

March 5 1963

PAY TO THE ORDER OF CASH

FIVE THOUSAND ONLY

MISSION SAVINGS OFFICE

AMERICAN TRUST COMPANY
SAN FRANCISCO, CALIFORNIA

DEFENSE FUND

\$ 5,000.00


DOLLARS



R. P. Gaultt
John J. Harrison
G. H. Harrison

R. P. Gaultt

EXHIBIT No. 70

 Operating Engineers Local Union No. 3
of the
International Union of Operating Engineers
174 VALENCIA STREET
SAN FRANCISCO, CALIFORNIA

313 No. 11-164 1210
AUGUST 6 1954

PAY TO THE ORDER OF CASH

MISSION SAVINGS OFFICE
AMERICAN TRUST COMPANY
SAN FRANCISCO, CALIFORNIA
Per Organising Nevada

11-164 1210

2000.00

DEFENSE FUND

Pay to the order of
G. J. Haggard
G. J. Haggard

\$2,000.00 DOLLARS

G. J. Haggard

EXHIBIT No. 71

Dictated May 11, 1957

November 15, 1956

TO THE EXECUTIVE BOARD OF LOCAL UNION NO. 3

On February 5th, 1955 Local Union No. 3 bought a piece of land in San Mateo County thru the California Pacific Title Company for approximately Eleven Thousand One Hundred and Fifteen Dollars and Twenty-cents (\$11,115.20). At that time it was the intention of the Executive Board to build a branch office on this land. However, shortly after the property was purchased it was decided that it would cost a great deal more than the original price, to fill the land with dirt in order to make it suitable to build on. Since the Executive Board felt that it might have been an unwise recommendation on my part to buy this property, and that the Union should not build on the said property, I now offer to buy the property myself for exactly the same price as what the Union paid, plus taxes; a total of Eleven Thousand Three Hundred and Eighteen Dollars and Six-cents (\$11,318.06) with the understanding that I will keep the said property for not less than two years and should the Union wish to buy it back for the same purpose it was originally purchased, I will sell it back to the Union for exactly the same price I paid, plus taxes, and 4% interest on the money I invest.

Fraternally,
Victor S. Swanson

VSS:et

11-164
 1210
 MISSION SAVINGS OFFICE
 AMERICAN TRUST COMPANY
 March 23, 1956
 SAN FRANCISCO, CALIFORNIA
 7103
 PAY TO THE ORDER OF V. S. STANSON
 \$4,550.00
 AMERICAN TRUST
 \$4650.00 CTS.
 CASHIER'S CHECK
 J. J. Stinson
 JUN 10 1956

V. L. Swanson

EXHIBIT No. 73

321

NO

11-164
1210

March 25 1956

\$ 10,000.00

DOLLARS

Operating Engineers Local Union No. 3

of the

International Union of Operating Engineers

474 VALENCIA STREET

SAN FRANCISCO, CALIFORNIA

AMERICAN TRUST COMPANY

10000

DEFENSE FUND

MISSION SAVINGS OFFICE

AMERICAN TRUST COMPANY

SAN FRANCISCO, CALIFORNIA

*P. J. Henderson**E. J. Henderson**Walter A. Henderson*

ORDER OF THE AMERICAN TRUST COMPANY

EXHIBIT No. 74

OPERATING ENGINEERS LOCAL UNION NO. 3
 OF THE
 INTERNATIONAL UNION OF OPERATING ENGINEERS
 474 VALENCIA STREET
 SAN FRANCISCO, CALIF. December 16 19 53

ORDER OF
 CASH
 \$300.00

OPERATING ENG.
 LOCAL UNION NO. 3
 \$300 AND 00 CTS
 DOLLARS

Western States Conference at Las Vegas
 MISSION SAVINGS OFFICE
 AMERICAN TRUST COMPANY
 SAN FRANCISCO, CALIFORNIA

GENERAL FUND
 TREASURER
R. E. [Signature]
E. H. [Signature]

V. L. [Signature]

REGISTER COPY		MISSION SAVINGS OFFICE		11-164 1210	
PURCHASER		PURCHASER'S ADDRESS		7120	
AMERICAN TRUST COMPANY		SAN FRANCISCO, CALIFORNIA		(19) 56 NO	
Mar. 27		DATE		4% 20 37	
PAYEE		V. S. Swanson		EXCHANGE	
DATE		MAR 27 1937		DATE PAID	
TTS 1211		TTS 1211		TTS 1211	
CASHIER'S CHECK		S 500.00		TITLER	
				AT AUTHORIZED SIGNATURE	

11-164
1210

MISSION SAVINGS OFFICE •

AMERICAN TRUST COMPANY



SAN FRANCISCO, CALIFORNIA,

Lat: 27,

119 56 50 7120

PAY TO THE
ORDER OF

W. S. Swan soil #

AMERICAN TRUST \$500 & 00 CTS.

500

CASHIER'S CHECK

1. The first step is to identify the problem or question that needs to be answered. This involves understanding the context and the specific requirements of the task.

V. S. Evanson
Portland, Me.

EXHIBIT No. 75B

REGISTER COPY		MISSION SAVINGS OFFICE		11-164 1210	
PURCHASER		PURCHASER'S ADDRESS		115 56 NO 7121	
AMERICAN TRUST COMPANY		SAN FRANCISCO, CALIFORNIA		Mar. 27	
PAYEE		V. S. Swanson		EXCHANGE	
				DATE PAID	
				488 80 32	
				TELLER	
				AUTHORIZED SIGNATURE	
				CASHIER'S CHECK	
				\$500.00	

11-164
 1210
 MISSION SAVINGS OFFICE
 AMERICAN TRUST COMPANY
 SAN FRANCISCO, CALIFORNIA
 MAY 21 1914
 10 56 NO 7121
 V. S. Swanson
 PAY TO THE ORDER OF
 AMERICAN TRUST
 \$500.00
 \$500.00 CTS.
 CASHIER'S CHECK
 AUTHORIZED SIGNATURE

REGISTER COPY

MISSION SAVINGS OFFICE

AMERICAN TRUST COMPANY

11-164
1210

PURCHASE

PURCHASER'S ADDRESS

SAN FRANCISCO, CALIFORNIA

19 56 NO 7122

PAYEE

V. S. Swanson

NON-NEGOTIABLE

DATE


APR 25 '58

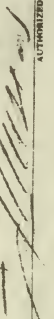
EXCHANGE

DATE PAID

TOTAL

CASHIER'S CHECK





AUTHORIZED SIGNATURE

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